

Toward Work Stability and Career Advancement—The Next Stage of Reform

Thomas Corbett
and
Rachel Weber

Institute for Research on Poverty
University of Wisconsin–Madison

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Historical Observations

The lessons of history confirmed by the evidence immediately before me show conclusively that continued dependence upon relief induces a spiritual and moral disintegration fundamentally destructive to the national fiber. To dole out relief in this way is to administer a narcotic, a subtle destroyer of the human spirit. It is inimical to the dictates of sound policy. It is in violation of the traditions of America. Work must be found for able bodied but destitute workers.

FDR—1935

The goals of our public welfare program must be positive and constructive. ...[The welfare program] must stress the integrity and preservation of the family unit. It must contribute to the attack on dependency, juvenile delinquency, family breakdown, illegitimacy, ill health, and disability. It must reduce the incidence of these problems, prevent their occurrence and recurrence, and strengthen and protect the vulnerable in a highly competitive world.

JFK—1962

. . . the days of the dole in this country are numbered

LBJ—1964

Work fulfills a basic human need—it connects individuals to society and its values. By providing income without need for work, welfare isolates recipients from society. Such a destructive influence can end only if work and income are rejoined.

Wisconsin—1997

W-2 turned the old welfare system on its head. It is first and foremost a work-support program, not an income transfer program.....work, not welfare, is now the gateway to supportive services.

Wisconsin White Paper—2001

Preface

The instructive quotations above convey the persistent aspirations for social reforms that are embedded in and reflect fundamental societal norms—work, family, and responsibility—and suggest the inherent difficulty of actually doing welfare reform. Each quoted President launched initiatives designed to protect the vulnerable in ways consistent with extant core values: Franklin Delano Roosevelt with the Social Security Act, John Fitzgerald Kennedy with the 1962 Social Service Amendments, and Lyndon Baines Johnson with the War on Poverty. Yet their efforts drifted in directions both unintended and poorly understood. Reform is not an event; it is an unfolding drama. This paper attempts to envision the next stage of reform, both in Wisconsin and on the broader stage. In doing this, I draw upon some of the usual sources employed by academic and also upon my communications and experiences with other state and local officials through the Welfare Peer Assistance Network (WELPAN) and County-To-County projects. I also try to keep the prose somewhat more informal than one normally would find in a academic report, though I may not fully succeed on that point. Most importantly, the reader must understand that this is a work-in-progress. Even a cursory review of the literature reveals an overwhelming number of ideas and programmatic possibilities. Any attempt to do justice to all of this would numb the reader with excruciating and bewildering detail. So I will try to keep the narrative somewhat conceptual, focusing on getting the questions right and on marking a roadmap to the future. Much of the substantive material dealing with specific programs and policies is attached as appendices, which can easily be expanded.

The paper is organized in three sections, an introduction and two distinct parts. Part 1 overviews the nature of the challenges being faced and reviews what we know about them; part 2 examines how we should think about meeting those challenges.

INTRODUCTION AND OVERVIEW

INTRODUCTION

A work support strategy is one where public and private resources are organized and coordinated in ways that explicitly facilitate the well-being of low-income families through work-based strategies. In many respects, Wisconsin has been putting together a work support system since the mid-1980s when passage of the Work Experience and Job Training (WEJT) legislation in 1986 anticipated the federal JOBS legislation by almost two years. By 1990, Kenosha County exploited the WEJT legislation to put together the prototype for a one-stop, work-focused public assistance agency that became a national model.¹ In the years that followed, the State explored key dimensions of work-based strategies through reform initiatives such as Children First, Work First, Self-Sufficiency First, Pay-For-Performance, and Work-Not-Welfare, among others.

As the State assessed the opportunities and limitations of these strategies, the apparent need for interventions to support those in the low wage labor market was manifest. An array of building blocks for a fully matured work support system was gradually put into place. Among other things, these include a refundable state earned income tax credit that is quite generous for larger families typically more vulnerable to poverty, a fully-funded child care system for low income working families, a child support system that passes through all collections irrespective of the caretaker's welfare status, and BadgerCare, a program that facilitates access to health care for all low income children and their parents. These building blocks are decoupled from welfare; access is conditioned on income but not welfare status. As such, they are better suited as complementary sources of support for low wage families rather than substitutes for earnings, the traditional function for cash welfare support.

The W-2 program brings together and reinforces many of these work supports in ways that are more visible and comprehensive. The Request for Proposal (RFP) for the current 2000–2001 contract states:

*The W-2 program seeks to provide a broad array of employment and training services to help eligible Wisconsin residents obtain and maintain viable, self-sustaining employment. (Underline added) W-2 accomplishes this goal by providing needed services in a comprehensive fashion; from job readiness to motivation to job retention and advancement skill training. W-2 employment and training services are available to any eligible Wisconsin resident unable to sustain employment or advance in the job market; W-2 services are not limited to recipients of cash assistance.*²

Critical measures against which agency performance are judged reflect this emerging priority. While extant standards set benchmark expectations for entered employment placement rates, they also tap measures of wage rate, job retention, full and appropriate labor market engagement, basic skills development, employer-provided benefits, and job skills attainment. And there is at least some evidence that the growing focus on labor market outcomes *after* initial job placement is having some effect. In the

¹The author consulted with the Legislature on the development of the WEJT legislation and worked with Kenosha County (along with Lawrence Mead, Bernard Stumbrus, and Michael Wiseman) on the development of their integrated Job Center.

²This description of W-2's goals is from page 3 of the *Request for Proposal to Administer Wisconsin Works and Related Programs*, issued by the Wisconsin Department of Workforce Development in May 1999 [for 2000].

TANF high performance competition with other states, Wisconsin placed 9th in job retention and 2nd in earnings gain for fiscal year 1999.

Ironically, however, the prevailing image of W-2 in many quarters is that of a tough, uncompromising job placement program. This appears particularly true among numerous welfare officials outside of Wisconsin,³ many critics inside Wisconsin, and, most unfortunately, among too many low-income families who might benefit from assistance in navigating the difficulties of the low-wage (e.g., secondary) labor market. Arguably, there is a disconnect between perceptions of W-2 and how W-2 has evolved.

This paper therefore develops a rationale for completing the evolution from a system of social assistance focused on non-working poor families to a system designed to help working poor families. It lays out evidence and arguments concerning why this shift in perspective is more important than previously recognized, and it suggests both issues to be addressed and steps to be taken to complete this transition in Wisconsin. Above all, this paper (as do all the ‘white papers’) notes that reform is less driven by policy and programs than it is by vision and mission. Reforms designed to facilitate and encourage work on the part of AFDC recipients can be traced back to the 1960s, but only when basic institutional cultures were transformed in the 1990s did such efforts have observable and irrefutable effects.

Thus, the central thrust of this paper is a call for Wisconsin to more fully recognize, articulate, and support those work support themes in which it already has made substantial investments. As anyone who has attempted to realize fundamental change can attest, real reform demands continuous and unflagging attention to all the dimensions of management—mission, milieu (agency structure), management, measures (of success), and so forth.⁴ It is time for Wisconsin to take those final steps toward making the working poor the central focus of its innovative system of social assistance.

OVERVIEW

Welfare reform in the 1990s transformed both the way we conceptualize and the way we operate social assistance for families with children in the United States. The most obvious evidence of qualitative change has been the dramatic decline in the use of welfare cash assistance, with national AFDC/TANF caseloads falling by 50 percent nationally since 1994. Moreover, this remarkable reduction in “dependency” appears to be associated with improving labor market outcomes among low-income families. According to the 2000 edition of the *Green Book* published by the U.S. House of Representatives, Committee on Ways and Means, the percentage of single mothers who worked at some time during the year rose from 57 percent in 1992 to 71 percent in 1999. Employment rates for single parents whose incomes were below 200 percent of the federal poverty line reached 80 percent in Wisconsin in 1999.⁵ Typically, Wisconsin’s employment rate is higher than the national average, but

³The author has noted a common point made by local and state welfare officials. Often, they have pointed with pride to their accomplishments in cutting caseloads while adding the caveat that ‘... they did not do it like Wisconsin.’ When pressed, they often noted that they accomplished their goals with more compassion, with less harsh measures. In numerous discussions with national policy figures, I have found the same categorization—that Wisconsin’s central attribute is uncompromising toughness. Efforts to assist the working poor are infrequently noted or appreciated.

⁴For a fuller discussion of the challenge of organizational culture change involving welfare reform, see *The New Face of Welfare Reform: Perspectives of the WELPAN Network*. Institute for Research on Poverty: University of Wisconsin (October, 2000).

⁵See Sheila Rafferty Zedlewski, *National Survey of America’s Families: Snapshots II (1999) - Family Economic Well-Being* (Washington, DC: Urban Institute, 2000).

recently obtained national evidence suggests that mothers in the bottom two-fifths of the income distribution are now more likely to work than in the past. In fact, research by Rebecca Blank and others indicates that mothers with recent welfare histories showed a dramatic upturn in labor force participation between 1995 and 1999, an increase of some 20 percentage points.⁶

Under such circumstances, it is tempting to declare victory and go home; with caseloads down and employment up, the welfare crisis appears over. Arguably, such a conclusion is illusory and perhaps ill advised, reflecting a variant of the dichotomous, linear thinking often associated with welfare debates. People choose either welfare or work; once on welfare they stay on welfare. Once off welfare, they become self-sufficient—the *graduation concept* of welfare and reform. Research over the past two decades, however, has enriched our understanding of the complex dynamics of life at the lower end of the income distribution. Perhaps 70 percent of new entrants to the old AFDC program left within two years, but the majority of those leavers returned to assistance. Only a minority of leavers stayed continuously off AFDC, and only a minority of welfare entrants evidenced a continuous type of dependency.

Historically, the dynamics of the low-wage labor market have been equally challenging. Cancian and colleagues, using Wisconsin administrative data from the last days of the AFDC program, found that few women leaving the old AFDC program in the mid 1990s worked full year and full time over the next five years.⁷ Not only has the labor force experience of former recipients of cash assistance been volatile in the past, but there is also evidence that the economic well-being of the most disadvantaged women actually deteriorated in some cases. The poorest mothers with children (the bottom 20 percent) saw their earnings increase in real terms by almost 40 percent between 1993 and 1998. But when corresponding losses in transfer benefits are considered, their total incomes fell by almost 10 percent on average between 1996 and 1998.

Work, particularly if it is full time and full year, indisputably remains the most promising route out of poverty. In 1998, 14.6 percent of all Americans were poor, according to a more comprehensive definition of poverty (relative to the ‘official’ measure) recommended by an expert panel of the National Academy of Sciences. Under this definition, the poverty rate for people in families with children was 16.2 percent; for people in full-time working families with children it was 9.7 percent; for people in part-time working families it was 54.4 percent; and for nonworking families with children it was 74.2 percent.⁸ Reliance on cash welfare, on the other hand, was almost a certain sentence to family poverty. At the demise of AFDC, the guarantee in a typical state was less than 40 percent of the federal poverty threshold, though somewhat higher in Wisconsin.

Still, a job is not always the panacea for poverty that policymakers seek, particularly for those families which, for a variety of reasons, fail to command decent compensation. A recent report by the U.S. Census Bureau draws the following conclusion:⁹

⁶See Rebecca M. Blank and Lucie Schmidt, “Work and Wages,” an unpublished paper prepared for the conference titled “The New World of Welfare,” University of Michigan, Ann Arbor, 2000.

⁷They found that 5 percent of their sample met this standard. See Maria Cancian, Robert Haveman, Daniel Meyer, and Barbara Wolfe, *Before and After TANF: The Economic Well-Being of Women Leaving Welfare*, Institute for Research on Poverty: University of Wisconsin-Madison (May 2000). Of course, though mothers with younger children have seen substantial increases in labor force participation, full-time/full-year employment is not the common standard even for non-welfare mothers.

⁸See *Poverty Among Working Families: Findings from Experimental Poverty Measures*, Current Population Reports P23-203, U.S. Bureau of the Census, Washington DC, September, 2000.

⁹*Ibid.*, p. 3.

Studies have shown although median family incomes rose in the 1990s, not everyone shared equally in the prosperity. The proportion of working families living below the poverty line has remained relatively stable since the late 1980s despite the longest continuous economic expansion in decades. Families headed by women, young adults, and minorities continue to be worse off.

As described in greater detail below, work in the low wage labor market is often capricious, fraught with challenges, and on occasion unrewarding, especially for those with the lowest skills and tenuous attachments to the labor market, and for those who did not exit welfare early in the reform movement. This remains true even in a robust economy.

We accept the premise that work is expected of virtually all adult heads of families. But work by itself may not permit a family to escape poverty. For low-skilled entrants to the labor market, initial acculturation or adaptation to the world of work can be tenuous. Nor is continuity in the labor market guaranteed to those successfully entering the world of work. They may lack necessary soft skills, essential supports such as child care and transportation arrangements may fall apart, intrafamily crises may intrude, or jobs may simply disappear.

In Pathways, initially a Chicago-based project to get residents of the Cabrini-Green Housing project into the labor market, 55 percent of the “clients” who found work lost their jobs within six months, and over 70 percent did so within one year. In about half of the cases, the job disappeared, in another 40 percent, the participant quit, and in 10 percent, the participant was fired. Toby Herr, project director, concludes:¹⁰

There is an overarching principle that leaving welfare is not an event about getting a job but it’s a long and difficult, sort of back and forth, process that involves human growth and development. And it extends over several years, it’s characterized by some setbacks and false starts and incremental gains. In Pathways, we don’t look at problems as barriers to employment.

Finally, those who do manage to continue working do not necessarily achieve upward mobility and better wages. Longitudinal data on welfare leavers suggest very modest increases in real wages over time.

The next stage of welfare reform, we suggest, will involve a shift in focus from the nonworking poor to the working poor. TANF in general, and W-2 in particular, have been successful in achieving their nominal goals of reducing dependence on cash assistance and increasing labor force participation of heads of low-income families with children. Attention both inside and outside of Wisconsin is now shifting toward an optimal experience in the labor market as a way to improve the economic well-being of these families and as a way to improve how these families function. But we argue that any such shift cannot effectively occur within the framework of welfare as traditionally understood.

The first part of this paper (Part I) lays out the arguments for change while the second (Part II) overviews some policy options and outlines a general approach to shifting the focus from the nonworking poor to the working poor and near poor.

¹⁰Pathways was initially called Project Match, a program developed by at the Erickson Institute, Chicago IL, by Toby Herr and her colleagues based on many years of work with low income women living in some of that cities worst public housing projects. The model incorporates principles of graduated stress, group supports, and structured monthly life plans. As applied to welfare populations, the model is known as Project Pathways.

PART 1: WHAT ARE THE CHALLENGES AND WHY SHOULD WE CARE?

Wisconsin Works (W-2) is a policy in development, much like TANF plans in other states. Most of the more aggressive reforms encompass a set of broad transformations.¹¹

- The transformation of welfare from an income support entitlement to a system fostering individual and community change.
- The reorientation of management from a focus on process and inputs (what organizations and programs do) to a focus on outcomes (what organizations and programs accomplish).
- The reallocation of program control from the federal government to states, then to local communities, and ultimately to frontline workers. This might be termed the professionalism of welfare administration, and it results in fundamental changes that affect decisions about program design, administration, case management, and other local operations.
- The rededication of organizations to the original purposes of social welfare programs and systems. Over time, agencies are expanding their missions to address an increasingly ambitious set of social challenges including child poverty, family instability, and community dysfunction.

Early in W-2, welfare reform nominally focused disproportionately on job placement and caseload reduction, at least publicly. But most program architects realized the reform process does not end there, because getting a person into a job is not enough. Early studies suggested that although most women leaving welfare were working at jobs above the minimum wage, their labor market attachment was tenuous and fragile. For example, in a 1997 cohort of Wisconsin leavers, fully a quarter returned to welfare within one year after exiting, and only about a quarter of those exiting had incomes above the poverty threshold the following year.¹²

Across the country the attention of human service agencies, including W-2 agencies, was being pulled in two directions.¹³ The first focus remained active W-2 cases, the stock of cases, as well as the flow of new cases into Wisconsin Works. As active cash assistance collapsed, and as agencies became more adept at diverting new applicants into the labor market, the families that remained in the system (the stock) proved to be very challenging, requiring wholly new service approaches and resource investments. These families are likely to possess several barriers to full participation in society, including depression and other mental health issues, substance abuse, family violence, legal issues, housing problems, very low skills and work experience deficits, disability challenges, and structural barriers such as problems with child care and transportation.

New cases applying for assistance (the flow) that actually become an open W-2 case may also now be somewhat more disadvantaged than before, possibly only applying for help when they have exhausted all other options. A research team in Michigan examined the work barriers of welfare families in one urban Michigan county and found that those with 4 to 6 barriers were half as likely to work at least 20 or more

¹¹These themes are discussed at length in *The New Face of Welfare: Perspectives of the WELPAN Network*. A report of the Midwest Welfare Peer Assistance Network, Institute for Research on Poverty, University of Wisconsin (October, 2000).

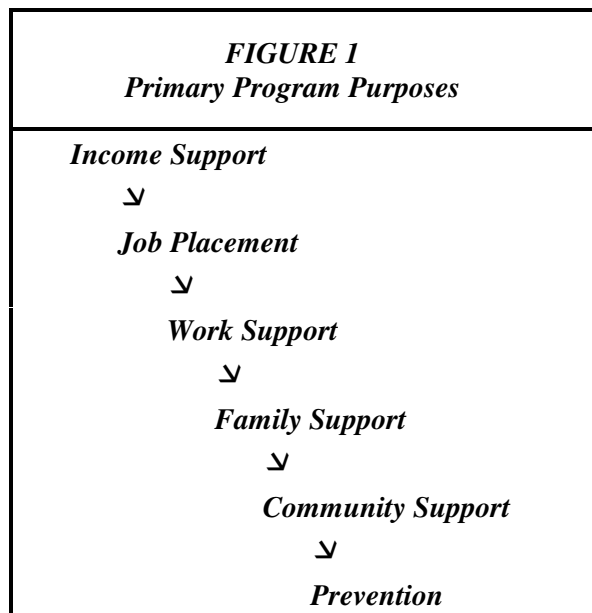
¹²See Cancian and colleagues, *Before and After TANF*.

¹³Some of these issues are introduced in the White Paper by Rebecca Swartz, *What Is a 'Case' in Post-Reform Wisconsin? Reconciling Caseload with Workload*, Hudson Institute, Madison, Wisconsin (2000).

hours per week than those with no visible barriers, and less than 5 percent of those with 7 barriers eventually found work, as opposed to almost 80 percent of the barrier-free group.¹⁴

The second direction in which human service agencies are being pulled involves an expansion in our traditional concept of a “case.” Officials see a need to help those who have exited the rolls, if only to reduce recidivism and help stabilize their work employment. Others also see a need to respond to broader portions of the low-income population (families under 200 percent of poverty are often a target, but the cutoff level increases to 300 percent of poverty for selected help in some states) in order to prevent problems that may lead to the need for cash assistance or other, more intensive forms of help. Rebecca Swartz, in “What is a ‘case’ in post-reform Wisconsin?: Reconciling Caseload with Workload,” captures the widening concepts of caseload in a series of overlapping and interrelated circles that tap an ever-larger target population.¹⁵

The Midwest WELPAN network has conceptualized the evolution of welfare reform in the following way (see Figure 1). From the early 1970s until sometime in the early 1990s, what we knew as cash welfare was clearly an *income transfer* system. The purpose was to get the check out the door as efficiently and accurately as possible. In the *job placement* stage, welfare shifted to a work orientation.



Most social assistance programs have clearly moved from income transfer systems to job placement systems. This was the dominant purpose of PRWORA. But the process has not stopped there, because getting a person into a job is not enough. How should these agencies sustain and nurture new entrants into the labor market? How do we encourage career progression and earnings growth?

TANF agencies are grappling with work-based and work-focused strategies, shifting from a focus on the nonworking poor to the working poor—one of the more profound shifts in public policy in recent times. In effect, they are moving from the job placement focus embodied within PRWORA to a work support and career enhancement perspective. Shirley Iverson, a top state official with the Oregon Department of Adult and Family Services (the TANF agency), described this shift as follows:

I think what's exciting for us right now is a great adventure around out working clients. They could be working and receiving employment –related day care or they could be in the food stamp program. We're looking at how to build retention activities so they will keep their jobs...and to use the skills they learn on their first placement to get a better job. How can we provide those skills that the employer wants for a promotion or again that wage enhancement piece. That's what I really see as exciting on the horizon.¹⁶

¹⁴See S. Danziger, M. Corcoran, S. Danziger, C. Heflin, and others, *Barriers to the Employment of Welfare Recipients*, Ann Arbor, MI: University of Michigan, Poverty Research and Training Center, October, 1998.

¹⁵See Swartz, *What Is a 'Case' in Post-Reform Wisconsin?*

¹⁶Virtually all of the quotes from state and local welfare officials were obtained during taped interviews done for the video portion of the *County-To-County Network project*, a series of national satellite conferences sponsored by IRP and UW-Extension.

This and other significant policy shifts are reflected in budget allocations. David Ellwood estimates that federal help to the working poor through means-tested cash and service programs increased from \$6 billion in 1984 to almost \$52 billion by 1999.¹⁷ The same trend can be seen in shifting budget allocations in Wisconsin. During the height of the income support era, over 90 percent of all AFDC expenditures in

TABLE 1	
Wisconsin Budget Allocations for FY 2001	
Wisconsin TANF and MOE Budget Allocations for FY 2001	
Total Cash Support	150,600,000
Targeted Service Programs	61,827,000
Program Administration	35,461,400
Programs that Support Work	370,200,000
Total	618,088,400
Wisconsin Programs that Support Work Budget Allocations for FY 2001	
Child Care	224,000,000
Employment, Education, and Training Services	128,700,000
Workforce Attachment and Advancement	10,000,000
Community Reinvestment Programs	5,500,000
Transportation	2,000,000
Total	370,200,000

the state were for cash benefits. One sign of efficiency in an income transfer program was low overhead. Now, however, less than a quarter of expenditures (about \$150 million) will go for cash support (see Table 1). Of that amount, less than one-third (\$49 million) will go to W-2 families where there is an adult in the family expected to work.¹⁸ If one looks only at W-2 cases receiving a cash payment, about 8 percent of total expenditures are in the form of welfare cash transfers to families with an adult expected to work.

Where is the money going? At least \$370 million is directed toward activities that prepare individuals for work or support them in work. Another \$54 million helps Wisconsin support its state Earned Income Tax Credit, an earnings supplement available only to those working and designed to 'make work pay.'

Moreover, almost \$13 million of the more than \$61 million that is targeted, or directed, toward certain populations such as youth or South East Asian children or toward activities such as literacy or nutrition goes toward activities that might plausibly be regarded as supporting work.¹⁹ It is impossible to fully account for each spending category, but it is reasonable to conclude that some 70 percent of all expenditures are for labor market attachment or work-support activities. It is also reasonable to surmise that expenditures are shifting from activities designed to help adults enter the labor market toward activities designed to keep adults in the world of work.

¹⁷See *The Plight of the Working Poor*, Brookings Institution (November 1999), at www.brook.edu/pa/childrensroundtable/issue2/issue2.htm for more on Ellwood's perspective.

¹⁸About another third of this total will go to child only cases and to supplement cases. In these families, either the adult falls outside of the W-2 concept or is not expected to work because of a disability.

¹⁹For example, \$3.5 million goes for the support of Job Centers, \$6.1 million for school-to-work initiatives, and \$1.1 million for employment programs for noncustodial fathers. Other expenditures are less clearly related to work supports (e.g., \$1 million for AODA programs and \$1 million for domestic violence programs) but these are critical investments in family stability that help clients into (or help them remain in) mainstream institutions such as the labor market.

TABLE 2 Wisconsin AFDC and TANF Family Caseloads			
	1995	2000	% change
Cash assistance (AFDC/W-2) cases*	62,752	6,642	-89%
NLRR/Kinship Care cases	5,094	5,905	+16%
C-supp (SSI parents) cases	6,121	5,648	-8%
Case management cases	0	4,032	
Family Food Stamps cases**	78,904	44,863	-43%
Family Medicaid cases**	111,170	101,991	-8%
Child Care cases	9,844	18,784	+91%
Total duplicated case counts	273,885	187,875	-31%
Total unduplicated case count***	118,595	114,725	-3%
<p>*The cash assistance cases for 1995 as well as 2000 do not include the child-only cases.</p> <p>**The Food Stamp and Medicaid family case counts were estimated by including only the cases with an eligible child.</p> <p>***The total unduplicated case count for 2000 includes child care assistance cases. The number of cases receiving child care only in 2000 was 2,895. Comparable numbers were not available for 1995 but are not likely to be high. The 1995 total includes the child-only cases (now served by the Kinship Care and SSI C-Supp programs). If these cases were included in 2000, it is not likely they would increase the total number of unduplicated cases. Most Kinship Care and C-Supp children are also receiving Medicaid.</p>			

Trends are also apparent in shifting caseload figures. Table 2 overviews recent caseload data, comparing Wisconsin caseloads just before national reform (April 1995) with the most recent data available (April 2000). A higher proportion of those receiving help in the year 2000 are working and using benefits to complement what they earn in the private market. Case-management-only cases did not exist in 1995, but they represented a quarter of all cases in April 1998 (the first month after W-2 was fully implemented), and they now represent almost 40 percent of the W-2 caseload in 2000. Additionally, almost three times as many cases now receive help with child care than receive cash assistance (18,784 compared to 6,642). And, while Food Stamp and Medicaid use among families has decreased, these caseloads have recently expanded after earlier declines. *Arguably, this is evidence of this shift toward a work-support.* The implication of this is clear, while cash assistance for the nonworking poor has all but disappeared in Wisconsin and is disappearing quickly elsewhere, support for the working poor and near poor continues.

For TANF agencies and workers, this shift in policy focus contains significant challenges. How do we engage participants who are working and may no longer see welfare, or the welfare agency, as a useful resource? Do we need to develop new types of relationships with the private sector? Must we develop nontraditional office hours, including evenings and weekends? Should we outstation offices or personnel, perhaps locating some where employees can easily be located and engaged (e.g., at major businesses)? Should planners expand services to include the total family as a system, assuming that family dysfunction (e.g., domestic violence, child behavior problems, etc.) can affect continuity and success in the labor market? Do we need to partner and network in different ways when dealing with the working poor as opposed to the nonworking poor?

The conceptual framework of the WELPAN group envisions further evolution in welfare reform. While agency workers confront these challenging tasks, yet another set of questions almost immediately crowds in on already stressed policy designers, implementers, and frontline personnel. As noted, drastically falling caseloads suggest that those remaining on welfare are very hard to serve and face multiple barriers. At the same time, needs that the public assistance system never could have addressed in the era of income transfers and high caseloads now become manageable. Therefore, some of those who are

already thinking along the lines of *work support* agencies begin planning to redefine themselves as *family and community support* entities. Walk into what used to be welfare agencies today and you are likely to find managers and staff struggling with child welfare, health and mental health, crime and delinquency, and a host of other personal, family, or community matters. You will also likely find activities geared to children doing their homework, to youth making the difficult transition to adulthood, and to practical matters such as transportation. As they undertake these new roles, many local agencies are becoming coordinators that tie together service providers in ways that make sense for troubled families with children.

Our goal in doing this is to take the best of what our child welfare system has to offer in terms of understanding the importance of interfamilial dynamics and the things that happen in families that affect a family's well-being and the safety of children and link that to the best we have in our self-sufficiency program, including the importance of getting work, of completing an education, being able to take care of one's own family. We're talking about.... dealing with families in a very holistic and strength-based way.

Barbara Drake—El Paso County CO

This family and community focus is not an abandonment of traditional work objectives. Implicitly, it recognizes that strong families and communities facilitate self-sufficiency. If a family is beset with internal strife and dysfunction, sustaining a productive work life is more difficult. On the other hand, work is not necessarily the ultimate end of reform, as work is essential to economic well-being and stable families. Most important, stable families are critical to raising productive citizens for the next generation.²⁰

CONTEXT AND CONCEPTS

Now we turn to a discussion of what we know. More accurately, this is a discussion of some facts essential to our thinking about how to move ahead. We organize this summary around five stylized 'facts,' assertions on which most objective observers would probably agree.

The **first stylized fact** about reform is, as noted earlier, that "official" caseloads have plummeted. Nationally, caseloads in the two main cash welfare programs, Aid to Families with Dependent Children (AFDC) and its successor, Temporary Assistance for Needy Families (TANF), have collapsed from over 5 million cases in 1994, to 4.4 million when PRWORA was passed, to less than 2.5 million at the end of 1999, and the proportion of the population receiving cash assistance has fallen from 5.5 percent to 2.3 percent. The story in Wisconsin has been even more dramatic. In January of 1986, the AFDC caseload stood at 100,000 cases, an all-time high. In 1995, as the reform process was about to get serious, the caseload had fallen to 62,752 cases and by the time W-2 was fully implemented, the cash assistance caseload was 12,068 (excluding those cases where no adult was expected to work). In 2000, the cash assistance caseload was 6,642 (see Table 2 for further detail).

The **second stylized fact** about welfare reform in the 1990s is that policy makers could not have chosen a luckier time to introduce a work-based set of innovations. Table 3 examines local, state, and national unemployment rates in the late 1990s. After 1996, the year PRWORA was passed, the national unemployment rate ranged between 4 and 5 percent—rates not seen consistently since the war years of the late 1960s. In Wisconsin, the rates have ranged from 3 to 4 percent, rates that most economists would

²⁰For an excellent discussion of the goals of reform, particularly for the distinction between proximate and ultimate goals, see the WELPAN report titled *Welfare Reform: How Can We Tell If It Is Working?*, a report of the WELPAN Network, Institute for Research on Poverty, Madison WI, January, 1998.

characterize as “frictional unemployment,” when virtually all employable adults can find work.²¹ The unemployment rates in the city of Milwaukee are higher, though still quite low, and the disparity of rates between the city and the suburbs suggests a severe shortage of workers outside the city per se.

TABLE 3					
Unemployment Rates in Recent Years*					
Year	City of Milwaukee	Milwaukee County	MSA**	WI	US
1996	5.3%	4.1%	3.4%	3.5%	5.4%
1997	5.7%	4.3%	3.6%	3.7%	4.9%
1998	5.3%	4.0%	3.3%	3.4%	4.5%
1999	5.0%	3.8%	3.1%	3.0%	4.2%
<p>* Local rates are from DWD at www.dwd.state.wi.us/dwelmi/LAUS_avg_90-97.htm; the US rate can be found at ftp.bls.gov/pub/special requests/lf</p> <p>** The Milwaukee Metropolitan Statistical Area (MSA) includes all of Milwaukee, Ozaukee, Waukesha, and Washington counties.</p>					

In addition to this spatial mismatch, which exists because the jobs and job seekers are not always located in the same geographic area, a skill mismatch is also possible. Based on extensive surveys of employers in several states, Harry Holzer concludes that skill requirements, even for entry-level positions, often exceed what welfare leavers (or ‘wanna be’ leavers) can bring to the labor market.²² My own perceptions, based on a series of focus groups with Wisconsin employers in 1997 and 1998, offer a somewhat different picture.²³ Focus group participants stressed that they wanted minimal

soft skills (punctuality, dependability, civility, decent hygiene, appearance, etc.), and that they would take care of the training. They also indicated a willingness to accommodate transportation, child care, and other structural problems that low-income family heads often face. Thus, spatial and skill mismatch problems may be solved through efforts by both employers and public assistance agencies.

A *third stylized fact* is that some combination of welfare reform and the robust economy has successfully drawn (or pushed) low-income heads of households, mostly women, into the labor market. In 1997, for the first time, the share of poor single mothers who worked exceeded those receiving welfare. Of course, women on welfare always did work; as Kathy Edin and Laura Lein note in their fascinating book, *Making Ends Meet*, “...almost all poor single mothers supplement their regular income with some kind of off-the-books employment, money from relatives, lovers, and the fathers of children.” (p.xl).²⁴ Still, the evidence of increased labor force participation is strong. As Rebecca Blank shows in *Work and Wages* (2000), the earnings of single mothers with children in the bottom fifth of the income distribution increased by only 13 percent from 1979 to 1989, and then grew by 39 percent from 1989 to 1998.

²¹The notion of frictional unemployment is that most of those falling into the unemployed status are those simply between jobs, and who may be passing up opportunities while they wait upon a more suitable offer.

²²See, for example, “Employer Demand for Welfare Recipients and the Business Cycle,” in *Economic Conditions and Welfare Reform*, Sheldon Danziger (ed.), The Upjohn Institute: Kalamazoo, MI, 1999, pp. 187–218. Holzer notes that 80 percent of Michigan employers seeking help cannot find enough qualified job seekers and 40 percent admitted hiring new workers with lower than desired skills.

²³Focus groups in Milwaukee, Dane, and Rock Counties and in Lacrosse, Stevens Point, Fond Du Lac, and in the Fox Valley were done in cooperation with the Council on Children and Families. The employers tended to be drawn from those working with local public Job Centers and to have opening for those transitioning off AFDC/TANF.

²⁴See Kathryn Edin and Laura Lein, *Making Ends Meet: How Single Mothers Survive Welfare and Low-Wage Work*, New York: Russell Sage Foundation, 1997.

The positive trends go well beyond the small and shrinking population of families receiving cash welfare. For example, employment rates for low-income adults (below 200 percent of the federal poverty line) ages 25 to 54 held steady between 1997 and 1999, while the employment rate for low-income single *parents* in this age group increased from 63 percent in 1997 to 67 percent in 1999.²⁵ In that year, the employment rate for single mothers exceeded that of married mothers for the first time.

Even single mothers of very young children are entering into the labor market. Employment gains were greatest for mothers with children under 3, rising from 35 percent in 1993 to 56 percent in 1999. At the same time, the upward trend in the number of female-headed families flattened out. Since 1993, the number of families headed by single mothers has hovered between 9.9 and 10 million.²⁶

The so-called “leavers” studies provide us with some of the richest detail about the effects of reform on work. In the post-reform period, some 43 states studied those leaving AFDC/TANF; several states, including Wisconsin, supported several studies. The bad news is that the studies vary dramatically in quality, so that choosing which ones to use is problematic. The good news is that they provide a consistent picture of what is happening. TANF leaver studies have been summarized by the Urban Institute and by the Office of the Assistant Secretary for Planning and Evaluation (ASPE) in DHHS. Depending on which studies one chooses to include, between three-fifths and two-thirds of all leavers appear to be working at a given moment in time after leaving cash assistance, at least among those states with aggressive reforms.²⁷ These rates approach 80 percent when we look at labor market attachment over time (e.g., the first year after exit from welfare).

*The typical finding in studies of families leaving assistance is that about 60 percent of welfare leavers are working at a point in time, with a higher share having worked at some point since leaving welfare. Studies have typically found that most have entered into jobs paying wages below the poverty line, and that employed leavers are unlikely to receive employer-provided health care coverage or paid sick leave or vacation leave.*²⁸

Not surprisingly, leavers tend to find jobs first in the service and retail trade sectors, which are often in the secondary labor market where pay is low and benefits are scarce. Less-educated workers are less likely to have job benefits; high-school dropouts, for example, are one-third less likely to have job-related health benefits. A substantial portion of former recipients work nonstandard shifts; by some estimates, over 40 percent of poorly educated working mothers work evenings, nights, or weekends.

A **fourth stylized fact** about welfare reform is that getting into the labor market is not the same as staying in the labor market. We knew from the old welfare dynamics literature that about half of all new entrants

²⁵Employment rates for low income (below 200 percent) single parents is higher in WI than the national average.

²⁶For a full discussion of employment rates by family type and economic status, as well as a discussion of the prevalence of family types in the United States, see Appendix I of *The Green Book*, 2000.

²⁷In a study by the Office of the Assistant Secretary of Planning and Evaluation, DHHS, Of 11 leavers studies, 62-75 percent employed in the 1st year post-exit.

²⁸In the Urban Institute’s NSAF, 61 percent of welfare leavers were working. States typically report between 50 and 70 percent of leavers are employed. The median wage is \$6.61 per hour, and 23 percent of employed leavers were receiving employer-provided health care coverage. Employment among single mothers with children and with incomes below 200 percent of poverty increased from 35 percent in 1992 to 51 percent in 1998. See <http://aspe.hhs.gov/hsp/leavers99/index.htm> or <http://aspe.hhs.gov/hsp/leavers99/ombsum.htm#findings> and *From Welfare-to-Workforce Development: Moving Toward Comprehensive Employment and Advancement Strategies* by Mark Greenberg, Steve Savner, and Julie Strawn, CLASP (August 2000).

left within a year of going on assistance and 70 percent within two years, but that most of those would return to assistance. Welfare was not a static but rather a dynamic process. In the National Evaluation of Welfare-To-Work (NEWWS) study, 69 percent of those getting help in several sites wound up working during a two-year follow-up, but only 42 percent were employed at the end of the second year, and only 24 percent were employed in each quarter of the second year.

Further, about a quarter of welfare recipients who go to work stop working within three months, and at least half drop out of the labor market (at least for a time) within a year. In one summary analysis of eight leavers' studies, 5–20 percent of leavers returned to welfare again after a single quarter, and over one-fourth returned within two quarters after exit, at least in some of the states examined.²⁹ Even those who never return to the rolls do not necessarily remain in the workforce; some studies show that these continuous leavers only show evidence of work in three out of four quarters after leaving cash assistance.

When leavers drop out of the labor force, many remain out for extended periods. One study has shown that 40 percent of leavers remain out for at least one year. Several IRP studies using cohorts of leavers from 1990–91, 1995, and 1997 suggest that Wisconsin exiters fare somewhat better. In the later cohorts, about 70 percent of leavers have earnings in each quarter of the next year. Earnings are lower in the 1997 cohort, but this finding is consistent with the hypothesis that the new welfare system is bringing people with fewer employment skills into the labor market.

Labor market continuity is more likely for those with greater education, more work experience, those employed in the quarter of exit, and, among those employed after exiting, those with more than one employer. Wisconsin leavers who evidenced more success tended to be women in their late 20s and 30s, white women outside Milwaukee, high school graduates or beyond, those with only one child, and those who worked in all four quarters after exit.³⁰

A *fifth stylized fact* is that getting a job is not equivalent to achieving economic well-being or security. The IRP work also suggests that AFDC leavers had substantially higher earnings and EITC transfers than they did prior to exit, but benefit declines outweighed the earnings gains for many, and total net incomes were initially lower. Available evidence does suggest that earnings do increase over time. However, those leavers who started out in jobs with lower pay and fewer benefits were still likely to be poor after five years. Thus, the national reform story is one of remarkable success in achieving high rates of job placement coupled with remaining challenges in moving people into productive careers. The booming economy of the late 1990s probably helped even those at the bottom of the labor market achieve some wage and earnings gains, but the more recent exiters from assistance are more likely to have less human capital, and thus will experience greater difficulty in adjusting to the rigors of even a favorable labor market. When the demand for labor slackens, work may become even more challenging as the sole strategy for attaining economic well-being.

For welfare leavers, getting a job does not guarantee upward mobility. Initial wage rates of leavers are generally between \$6.50 and \$7.50 per hour, with Wisconsin's rates at the high end. Annual earnings are generally between \$8,000 and \$9,500, since leavers tend not to work full time/full year.³¹ Average median wages typically increase little over time, and studies have indicated that 75–80 percent of

²⁹See *Cross-State Findings on Employment and Earnings*, DHHS, ASPE, April, 2000. aspe.hhs.gov/hsp/leavers99/earn.htm

³⁰See M. Cancian, T. Kaplan, and D. Meyer, *Outcomes for Low-Income Families Under the Wisconsin AFDC Program: Understanding the Baseline So that We Can Estimate the Effects of Welfare Reform*, Institute for Research on Poverty, University of Wisconsin, July 1999.

³¹See M. Cancian, R. Haveman, T. Kaplan, D. Meyer, B. Wolfe, *Work, Earnings, and Well-Being After Welfare: What Do We Know?* Institute for Research on Poverty, University of Wisconsin, January 1999.

employed leavers experience a measurable drop in earnings in the year after they begin working, which is a further indication of the volatility in the low wage labor market.

Finally, leavers may have lower total measured income due, in part, to the complex interactions between private earnings and public benefits. On average, substantial increases in leavers' earnings are outweighed by larger declines in cash and in-kind assistance. Although the majority of single mothers with annual earnings below the federal poverty line have seen improvements of income relative to poverty since 1991, the improvement occurred mostly in 1994 and 1995. Since 1996, the lowest 40 percent of these mothers have seen no improvement in their incomes relative to poverty, and the lowest 20 percent have seen declines in their total incomes relative to inflation (see Table 4).³²

TABLE 4						
Earnings and Income Data on Mother-Headed Families						
	Bottom Quintile			Second Quintile		
Income Source	1993	1996	1998	1993	1996	1998
Earnings	\$1,184	\$1,569	\$1,651	\$3,919	\$5,154	\$6,991
Welfare-Cash	\$1,926	\$1,642	\$1,438	\$3,114	\$2,645	\$1,758
Welfare-In-Kind	\$1,147	\$1,168	\$920	\$1,765	\$1,497	\$1,191
EITC	\$193	\$479	\$505	\$577	\$1,216	\$1,667
Child Support	\$258	\$373	\$238	\$409	\$518	\$505
Totals	\$4,708	\$5,231	\$4,752	\$9,784	\$11,030	\$12,112
<i>Table based on national data, drawn from 'The Second Most Important Issue: Effects of Welfare Reform on Family Income and Poverty' by Ron Haskins (2000).</i>						

Given these trends, the incomes of leavers generally do not raise them out of poverty. Among 1995 Wisconsin exiters, 37 percent had total incomes above the federal poverty line the following year; in 1997, only 26 percent had incomes above the poverty line the following year. In a longitudinal study of an earlier Wisconsin leaver cohort five years after they left welfare, 41 percent were still poor, and only 9 percent had achieved incomes that measured 150

percent of the poverty line or above. Still, leavers do evidence some progress, at least in Wisconsin, where total income increased from \$6,100 to \$9,900 over five years. These earnings gains are typically due to increased hours worked, and not to increased wage rates.³³ One study found that the proportion of leavers working full time/full year increased from 13 percent in the first year after exit to 25 percent in year five.

THINKING THROUGH THE FUNDAMENTAL CHALLENGE

We know that Wisconsin has been successful in getting recipients into the labor market. Yet W-2 participants do not see the program as being particularly helpful. Leavers and nonleavers participating in the yet to be published Child Support Demonstration Evaluation who were surveyed in 1999 were in general satisfied with their treatment and their caseworkers and felt positive toward the W-2 program overall. But, in contrast, they did not think the program was particularly helpful in their labor market pursuits.

³²See Ron Haskins, *The Second Most Important Issue: Effects of Welfare Reform on Family Income and Poverty*.

³³See LaDonna Pavetti, "Welfare Policy in Transition: Redefining the Social Contract for Poor Citizen Families with Children and Immigrants," Institute for Research on Poverty (forthcoming).

Such results are not an indictment of W-2, since participants in income support programs traditionally report that they are capable of securing employment on their own, and tend to discount, or are unaware of the assistance they get from agency efforts. But the problem may be more complex and challenging. For decades, we have seen struggles at the federal level to appropriately integrate income support and workforce policies and programs. But this has proven a very challenging goal indeed, program integration sometimes being referred to as the ‘holy grail’ of public policy.³⁴ At the federal level the turf issues across executive agencies and Congressional committees are particularly venomous, with various constituencies lobbying with effect for their own individual target groups or strategies.

The net result is that silos—distinct funding and policy streams organized around target groups or program strategies—remain at the state and local levels despite the best efforts of state and local officials to create transparent service delivery networks. Consequently, public perceptions of individual programs may miss the mark, because people overlook the breadth of help they actually receive or fail to access all the help available if it were better organized and integrated. Thus, negative perceptions of W-2 may suggest that more work needs to be done to fully actualize and market a complete **work support** concept for low-income workers. Before exploring that theme further, let us very briefly look at the evolution of public workforce policies.

Public policies toward the labor market are complex and ever-changing, but we do see some suggestive trends. First, there have been at least three policy streams affecting labor market policy.

TABLE 5a Evolution of Workforce Policy	
1933	Wagner-Peyser Act <i>Creation of US Employment Service/Labor Exchange Concept</i>
1935	Title III of the Social Security Act <i>Unemployment Insurance Program</i>
1961	Area Redevelopment Act <i>Regional Economic Development for Poor Areas</i>
1962	Manpower Development Training Act <i>Training Opportunities for the Poor</i>
1964	Office of Economic Opportunity <i>Comprehensive Human Capital Development</i>
1973	Comprehensive Employment and Training Act <i>More training and Public Service Jobs toed to local markets</i>
1982	Job Training Partnership Act <i>Creation of PICS, more private sector involvement</i>
1998	Workforce Investment Act <i>Creation of Workforce Investment Boards</i>
2001	?

1. There is a long history of macro-policymaking going back at least to World War II but picking up steam in the Kennedy era. Monetary and fiscal policies are explicitly used to stimulate the economy when activity is slack and restrain it when the economy is ‘overheated.’ The tax system is used to stimulate the hiring of select groups—the Marginal Jobs Tax Credit was used to stimulate hiring of the disadvantaged, and the EITC to increase earnings of working low-income workers.

2. There have been explicit labor market policies for cash welfare recipients since the early 1960s, when small workfare pilots were tried. But the first step in welfare workforce policy occurred in 1967 with the first Work Incentive Program (WIN) that allowed states to train recipients for work and introduced work incentives into welfare policy. Over time, though unevenly, the work dimension of welfare policy grew stronger with subsequent versions of WIN, with the JOBS program, and now with TANF.

³⁴When the primary author spent a year at the US Department of Health and Human Services working on the first Clinton welfare bill, he spent some time working on program integration issues. If you look in the appropriate section of the actual legislative proposal submitted to Congress (the Work and Responsibility Act of 1994), you will see references to the ‘Holy Grail’ of public policy.

TABLE 5b Evolution of Workforce Policy Within The Welfare System	
1967	1st Work Incentive Program
1972	2nd Work Incentive Program
1981	Omnibus Budget Reconciliation Act
1988	Family Support Act
1988–95	The Waiver Reform Period
1996	PRWORA
2001	?

3. There are labor market policies for low-income populations (and other disadvantaged or near-disadvantaged populations) outside the welfare framework. Tables 5a and b provide brief overviews of key legislative milestones.

In recent years, these streams have come closer together. Wisconsin, like other states, is creating ‘one-stop’ shops where the advantage and disadvantaged are brought together. Services are delivered seamlessly; the sources of funds and the organizational affiliation of

the staff are transparent to the customer. As noted, Kenosha County was a pioneer to collocate key welfare and labor market functions and to integrate the staff from the two systems. Others have followed. In Dayton, Ohio (Montgomery County), some 50 public, non-profit, and private firms and organizations have collocated in a seven-acre facility. They share the same site, sometimes cooperating, and sometimes competing with one another, to provide customers with choice and with high quality assistance. In the suburbs of the Twin Cities (Anoka County, Minnesota) and in the small community of Spencer, Iowa, welfare and workforce officials also have collocated and integrated their staffs. From Wisconsin to the smallest communities of Western Iowa, new organizational forms of cooperation and collaboration are emerging.

In short, we have ample indications that the movement from a work to a *work support* concept is well under way, both in Wisconsin and in many other communities around the country. At the same time, this transition to a fully formed work support system will not happen without considerable investment and effort. Wisconsin has done much to develop comprehensive services and interventions to help people into the labor market. Despite excellent efforts in individual programs and in individual agencies, a fully articulated mission of work support and career advancement requires additional effort and attention. Finally, we are also concerned that some in the low-income community view W-2 as a program of last resort, to be used only in the direst circumstances and when all else fails. This image, perhaps a holdover from earlier efforts to reduce caseloads and enforce new work standards, may make the task of achieving the next stage of reform more difficult.

Anybody's welcome in this agency. Basically, anybody that's looking for a job or changing jobs is able to access this agency.... We really have a wide variety of people using the center. We also have businessmen who are looking for employees...so I guess I would say that there is a really broad array of people walking in our door at this time.

Paula Heckenlively—Spencer Iowa One Stop

Finally, the challenge of optimally organizing programs and policies to best serve low income families goes beyond integrating traditional income support systems with workforce systems. As developed in ‘white paper’ five, tentatively titled *Toward a Prevention Perspective*, a comprehensive workforce policy cannot easily be decoupled from concerns over how families function as families, and how children are

raised. While work helps stabilize families, stable families help adults be better and more reliable workers, if for no other reason than they are less distracted by family or relationship issues. Every state and local agency is struggling as to what kind of programmatic linkages to form. Wisconsin has forged its primary linkage at the state level within the labor department. Ohio recently created a State Department of Jobs and Family Services.

What happens at the federal and state levels is important but not critical. Some three decades ago, by federal fiat, we separated the provision of services designed to help folks function better as families and become self-sufficient from the welfare function of issuing checks. In doing so, the income support

entitlement was solidified. Over the past decade, we slowly have been putting those services and opportunities back together. No blueprint or best practice model exists for how to accomplish this, just a set of very difficult choices and challenges. It is likely, however, that the most effective models and strategies will emerge from local experimentation. For that to occur, the new state and federal roles will be transformed: from institutions that focused on what front line agencies should do, and how they should do it, to institutions focusing on what should be accomplished. The new federal and state roles will stress accountability, developing and measuring outcome indicators, research, and facilitating the sharing or technical assistance. Getting from where we are now to where we need to go will not be an easy journey.

In Part II of this report, we explore in more detail what we mean by a work support concept and how Wisconsin might move toward this new vision.

PART II: WHERE DO WE GO FROM HERE?

The main thing that we did was to define with our community partners—the families that we work with, churches, nonprofits, day care providers, employers, and everybody else who had a stake in the kinds of services we provide—what we really want to accomplish and to come up with a common vision across the community and across agencies. And based on that common vision and mission we designed our programs.

David Berns—El Paso County, CO

Once they get the job, they're still in the loop here. We never ever would tell someone they could not come back and get any classes that we have here. They're more than welcome to come back at any time they want and we can update their resume, get them a different resume geared for a different career move they want to make. I like to keep myself involved as much as they'll let me without being too intimidating at the same time.

TANF retention specialist in Oregon

The above quotes nicely establish the themes we make in the concluding part of this paper: that moving toward a work support system requires vision, new ways of organizing and delivering resources, and new insights into the nature of the challenge. Reforms that we examined in Part I have shifted the foundations and rationale of social assistance, and coupled with a robust economy have significantly increased work among low-income families, particularly those headed by women. But this increased labor supply does not easily and automatically translate into stable career paths or improved well-being for families. To achieve the latter, our modes of social provision must explicitly be reoriented toward the working poor and near poor.

There are several reasons for balancing our traditional concern with the nonworking poor with greater attention to the working disadvantaged.

REASONS THAT WE NEED LABOR MARKET INTERVENTIONS

Why doesn't securing a job, by itself, automatically translate into continued self-sufficiency or offer a simple solution to poverty? The growing literature on this topic and the perspectives of welfare officials suggest the following reasons:

- *Labor market integration (acculturation) challenges.* The workplace has a culture all of its own, with expectations about behavior and interpersonal interactions and social networks. Most new job entrants may experience some uncertainty, but they have the requisite life skills and soft

skills, usually obtained from role models or earlier work experiences, to negotiate any early difficulties. But for some low-income individuals, the period of acculturation to the workplace can be intimidating and confusing. This may be particularly true for minorities and immigrants who must also deal with explicit and implicit cultural and racial divides.³⁵

- *Relationship challenges and problems with supervisors and coworkers.* New workers must establish a whole set of new relationships with coworkers and supervisors. They must be able to take orders, negotiate, compromise, and establish new social arrangements. This may not come easily to those lacking significant prior experience in the work arena.
- *Personal factors (e.g., health or legal problems, domestic violence, etc.).* New entrants from disadvantaged backgrounds often bring special challenges with them. They may have health problems, accumulated legal problems, or complex family and relationship issues. Domestic violence is only one example: a woman getting off welfare and taking a job may create hostility in her partner, who may see the job as disturbing to the existing power relationship. If these issues are not dealt with, they can become serious barriers to her continued employment.
- *Housing.* Residential stability appears critical to employment stability. Those who cannot find affordable housing, or who must move frequently for financial or other reasons, often encounter related difficulties that spill over into their work lives. Social networks, child care arrangements, or transportation arrangements are endangered. In some cases, residential uncertainty is a proxy for other problems that require attention.
- *Lack of networks.* Networks are important for support, for advice, and for help when child care or transportation problems arise. Some poor families are very isolated and do not have, and certainly cannot purchase, the services that extensive social support networks can provide.
- *Skill deficits.* There are three types of skill deficits that pose challenges to staying and advancing in the labor market. **Hard** skill deficits are shortcomings in specific vocational knowledge and techniques related to job performance. **Soft** skill deficits involve those behaviors associated with acceptable adaptations to the world of work including punctuality, dependability, hygiene and appearance, and various social skills. **Life** skills are those outside the workplace but which may affect how things go in the workplace such as budgeting, time management, and parenting skills.
- *Logistical challenges (child care and transportation problems).* Working mothers need child care and transportation supports that permit them to function as reliable workers and mothers. Breakdowns in child care or transportation arrangements can lead to missed work and problems on the job. Logistical challenges have traditionally been identified as major problems affecting the labor market success of women leaving welfare for work.
- *Instability in the secondary labor market.* Jobs in the low-wage labor market are not very secure, sometimes only provide intermittent employment, and are often viewed by employers as potentially fillable by fungible (interchangeable) employees. In some instances, employers find it advantageous to hire multiple part-time employees.
- *Poor compensation in the secondary labor market (jobs don't provide adequate pay, no fringe benefits).* By definition, the low wage labor market pays low wages, presumably reflecting the

³⁵A staff person involved in the Minnesota Employer Mentoring Program in Rochester MN told me the following story. An immigrant woman obtained a job and was quite happy with it. She had started taking coffee during her break, and after a few days, someone casually mentioned that she ought to contribute whatever the customary charge was. The young woman had no idea of the custom, concluded that she had been 'stealing' the coffee, and quite her job rather than face the 'shame' of her theft.

skill levels required to perform the tasks and the prevailing competitive aspects of the market sector in question. Low wages become more problematic when there is a single wage earner and larger family sizes, or when families live in more expensive housing markets.

BASIC PREMISES AND CONSTRUCTS

In this section, we begin the process of laying out a strategy for responding to these many challenges. For several reasons, we don't offer a detailed set of programmatic responses.

First, there are simply too many policy and program ideas floating out there to make sense of them all. Those interested in examining this growing literature in detail might start with an excellent compendium of current ideas laid out in *Steady Work and Better Jobs: How to Help Low-Income Parents Sustain Employment and Advance in the Workplace*.³⁶ Second, we believe that to be overly prescriptive would be inconsistent with contemporary thinking on the provision of social assistance. It is imperative to return ultimate control to local authorities in ways that maximize local discretion and wisdom.

Finally, there is no consensus about what constitutes best practice in the work support arena, despite the enormous number of ideas in the policy marketplace. Normally, we think of three levels in considering new ideas: *plausible practices*, where the idea makes theoretical sense but there is little or no empirical evidence; *promising practices*, where there is demonstrable evidence of feasibility and where outcomes appear positive; and *proven practices*, where the concept has been subject to rigorous, experimental evaluation and has shown positive net impacts.³⁷

THINKING STRATEGICALLY ABOUT CHANGE

The normal academic evaluation conventions may actually lessen our ability to determine what works. How can this be? Experiments often push us toward marginal and isolated protocols and policies so that we might measure the *marginal* impacts of specific interventions: for example, adding on a case management activity to see if we can improve job retention. But the legacy of marginal alterations of policy has produced a litany of modest results. Welfare reform in the 1990s has shown that dramatic results, if any are to be found, occur when we fundamentally transform program missions and organizational cultures. As I have traveled around various states, the most exciting refrain I hear when I ask locals how they address a certain situation is "*we do whatever it takes*." In effect, practice is driven by mission and purpose, and not by procedure. We will come back to this theme later.

³⁶Julie Strawn and Karin Martinson, *Steady Work and Better Jobs: How to help Low Income Parents Sustain Employment and Advance in the Workplace*, New York: Manpower Demonstration Research Corporation, 2000. See also *Right from the Start: Lessons for Job Advancement from Welfare Reform* by the same authors, published by the Center for Law and Social Policy; Carol Clymer, Brandon Roberts, and Julie Strawn, *Working for Change: State Policies and Programs to help Low-Wage Workers Maintain Steady Employment and Advance*, Public/Private Ventures Inc., Philadelphia, 2000; Anu Rangarajan, *Staying On, Moving Up: Strategies to Help Entry-level Workers Retain Employment and Advance in their Jobs*, Mathematica Policy Research, Princeton NJ, 2000. Michael Fishman, Burt Barnow, Karen Gardiner, Barbara Murphy, and Stephanie Laud, *Job Retention and Advancement among Welfare Recipients: Challenges and Opportunities*, The Lewin Group: Washington, DC, 2000; and Mark Greenberg, Steve Savner, and Julie Strawn, *From Welfare to Work to Workforce Development: Moving Toward Comprehensive Employment and Advancement Strategies*, Center for Law and Social Policy, Washington, DC, 2000.

³⁷Thanks to LaDonna Pavetti for making these distinctions.

Thus, we eschew any tedious discussion of the 47 promising practices such as you will find in most papers on this topic. (We do, however, provide some overview lists in the attachments.) Rather, we attempt to clarify the basic decision set. We begin by reviewing the basic questions that emerge from the evidence in Part I:

- *Working little, promote labor market attachment.* The first objective of any reform package is to get family caretakers into the labor market. Wisconsin does this very well for those in contact with the W-2 agency. But how do we accomplish this task while establishing a set of expectations and working relationships that will facilitate longer-term work goals? And there is the question of the target group, the actual TANF cases who represent an increasingly small portion of the potentially relevant population.
- *Working intermittently, promote employment stability.* The second objective is to smooth out labor market experience. Intermittent work can have three forms. One can be underemployed, that is, working but not working a sufficient number of hours; one can have a cobbled employment arrangement, putting together two or more part time positions, that is fraught with difficulties; or one can be intermittently employed in the classic sense, in short-term jobs interrupted by periods out of the labor market.
- *Working steadily, low earnings: promote career advancement.* The final consideration involves those who do work steadily (full time and full year), but at jobs that pay too little or lack benefits. How do we move the worker from the secondary labor market to, if possible, the primary labor market? In primary-labor-market positions, there tends to be greater job continuity and more work-associated benefits. Employers are more likely to invest in training and skill development, and within-firm and across-firm advancements are more likely to be available.

Consideration of the following questions may enable us to develop a work support strategy.

- *What are we trying to accomplish?* “Getting the question right” is primary. It makes a significant difference if one wishes merely to help with the transition into the labor market, with stabilizing the labor market experience, or with career advancement. Perhaps this decision should be left to local officials, who can base the decision on local circumstances. This choice reflects deeper decisions: whether the fundamental concern is to lower welfare recidivism, or to enhance the longer-term economic well-being of families. Whatever decision is made, it will inform all subsequent decisions including the resources needed, how resources are organized, and what technologies are used.
- *Whom are we trying to help?* The most natural group consists of those exiting W-2. Presumably, the primary concern for this group might be to reduce recidivism, though more ambitious goals might be entertained. A second target population may include low-income families who might become W-2 participants, whether or not they have had any prior attachment to the program. From there, one can expand the population to include broader definitions of the near poor and to include nontraditional categorical groups, such as noncustodial fathers.
- *For how long do we want to help them?* Many programs follow up at 30 or 90 days after welfare exit or, conversely, after labor market entry. Discussions with employers and mentors suggest that this time frame is too short, that six months or a year is more appropriate.³⁸ Still others argue that all time limits would be artificial, that anyone (at least below some family income threshold) should be able to access at least some services.

³⁸This was a topic of discussion in recent site visits in Iowa and Minnesota. Employers, and those working with low-income workers, noted that the acculturation process often lasted for a year.

- *How are we trying to help them?* The technologies, or actual program and policy interventions at our disposal, are numerous, and are discussed in more detail below. The basic categories include the following, among others: utilize various forms of wage enhancers or supplements to “make work pay,” both within and outside the welfare concept; prepare job seekers better for the reality of workforce pressures and work cultures; ameliorate barriers and problems that jeopardize labor market adjustments; enhance life skills and soft skills; and enhance vocational skills to prepare them for better jobs in emerging market areas.
- *How should we structure our technologies and interventions?* How do we decide among basic institutional and programmatic arrangements? Though some of these arrangements are dictated by the preceding choices, some reflect thoughtful choices about the best way to achieve policy purposes. Choices include: what is the appropriate balance between financial incentives and direct services; should one stay within the welfare (low-income) concept or move to broader populations; should one deliver services directly or merely broker among associated service providers; should one operate through conventional human service and workforce agencies or through employers or other community-based entities (e.g., community colleges); and what kind of institutional modifications are required when one disproportionately focuses on the working poor?

BEGINNING WITH ‘CULTURE’ CHANGE

Obviously, any fundamental shift in direction, such as a shift in organizational focus from the nonworking poor to the working poor, requires a series of policy and protocol changes. But it also demands a fundamental transformation in the very culture of welfare operations. This should be clear from the Wisconsin Works experience. The dramatic reductions in caseload never would have been predicted by the individual changes in policy or practice; rather, the dramatic transformation in the purposes of W-2 agencies probably transcended the separate components of the reform. Such a change we call a transformation in the *culture* of an organization.

When families interact with any program or agency, they encounter a set of expectations, procedures, attitudes, and environmental cues. In total, these interactions constitute what is generally called the ‘culture’ of an agency. The agency’s culture helps define the character of its programs, although the culture does not dictate the policy orientation of individual agencies. We use the term ‘culture’ to capture the broad set of changes undertaken by states and localities as they embrace reform.

Transforming the character of a program, and therefore the culture of a system, typically starts with a restatement of its mission. But that is just the beginning. It also involves the alteration of agency structure, operations, and ambiance in ways that reshape the experience of all stakeholders. ***We believe that changing the culture of W-2 agencies is the necessary step toward shifting attention to the working poor and near poor.*** Once that is accomplished, specific policy and program content will follow.

But changing the culture of an organization is not necessarily easy. For some W-2 agencies, culture change would require that they shift from the idea that families should be kept off assistance to the idea that working families should be encouraged to utilize available resources. The challenge of culture change is covered in *The New Face of Welfare* in the section titled *Making Change Happen*. The bottom line is that culture change demands attention to the dimensions of organizational life outlined in Figure 2.

Strengthening the work support concept, with a particular emphasis on career advancement, as the next focus of W-2 requires that we think through how each of the dimensions noted above must be addressed. The *mission* recognizes that all significant redefinition of institutional purposes starts with “getting the question right.” In this context, the purpose shifts toward providing supports and services to the working

poor and near poor in order to achieve more economic and family stability for those already in the labor market. This new institutional purpose must be clearly and consistently articulated as a signal to stakeholders within the organization and to the target population.

FIGURE 2 The Dimensions of Organizational Culture Change
Mission — how a agency conceptualizes and communicates its purpose.
Milieu — how an agency configures its physical and social environment.
Management — the manner in which decisions are made and communicated.
Manpower — how personnel are selected, trained, organized, and rewarded.
Movement — how participants move through a program, what they experience.
Measurement — how organizational success is defined, measured, and rewarded.
Morphing — how organizations relate to their environment, how they adapt over time.

New purposes drive other dimensions of the system or program. One should next reconsider how institutional resources are organized: where and when services should be offered, which agency partnerships now make sense, and how communication among partners will be affected. The key attribute of the working disadvantaged is that they are working. Thus, service hours and the location of resources closer to employers and employees immediately become issues. One also needs to reconsider what kind of personnel, ideally, should function in such a system, as well as how they should be selected, trained, and rewarded. In addition, *management* style should be reexamined, and questions should be asked regarding whether employers and the community college system can play even larger roles in basic decision-making.

All change is oriented toward transforming what participants experience in the new system (*movement*), but the dimension most critical to the transition toward a work support system may be *measurement*, which covers those outcomes and performance indicators that are monitored and rewarded. As the old saying goes, what you measure is what you get. If you reward caseload reduction, and give managers flexibility, you will get caseload reduction. If you measure and reward variables tapping labor market performance and advancement, and give local managers some autonomy, positive employment outcomes are more likely what you will get. Of course, the labor market and the economy in general make up a complex arena beyond anyone's direct control. Thus, one must continually monitor and adapt to changing conditions—the *morphing* challenge.

Next, we examine basic conceptual frameworks for thinking about this challenge.

TOWARD A CONCEPTUAL FRAMEWORK

Consultants to the Administration for Children and Families (ACF) suggested the following conceptual framework for those states that were considering participating in the next round of post-employment demonstrations, the Employment Retention and Advancement (ERA) demonstrations.³⁹ Essentially, the client (or customer, participant) would theoretically have access to an array of services and opportunities:

- *Barrier amelioration*—Help to address a variety of personal and system problems affecting the labor market chances of challenged workers: depression, substance abuse, family dynamics and violence, transportation or isolation issues, and so forth.

³⁹See Mike Fishman, Burt Barnow, Karen Gardiner, Barbara Murphey, "Job Retention and Advancement Among Welfare Recipients: Challenges and Opportunities," The Lewin Group and Johns Hopkins University, 1999.

- *Transitional Supports*—Help during those critical initial months on the job where employers are often making judgments about the worker, and the new worker is adjusting to the workplace and associated stresses. This can include services ranging from crisis management to peer mentoring.
- *Employment Services*—Help can be provided in the pre-employment and the post-employment stages to assist workers in three areas: hard skills, soft skills, and life skills.
- *Cash/In-Kind Supports*—Help provided through access to earnings and wage supplements, either through welfare or outside welfare; this recognizes that the competitive dynamics of the marketplace make it difficult for family heads to always earn a living wage.⁴⁰

Coordinating this array of services requires sophisticated tools for diagnosing problems, recruitment and tracking, and communications. The Lewin Group suggests that:

*States may experiment with a variety of approaches to address these challenges. These include designating a single case manager or point of contact for each client, creating information systems that link client information across service systems to facilitate cross-system coordination, and co-locating services to facilitate client access. All of these must confront the challenge of managing service delivery across traditional service system boundaries. All will require significant retraining of local welfare workers.*⁴¹

We think this may be a somewhat truncated, static view of the challenge. So next we try to weave together some of our earlier points into a conceptual narrative. We try to keep this narrative relatively simple; thus a good deal of the detail coming from the literature is found in the attachments. To do so, however, we must make some initial assumptions. We assume that the next generation of W-2 will be a work support system in the sense laid out in the WELPAN *New Face* document, although some attention continues to be focused on *short-term income support and job placement*. In general terms, what might the new structure look like, and what would we have to think about in getting there?

We break down this narrative into four simple stages: 1) the *signaling* stage, in which we wish to communicate to the intended target audience that Wisconsin Works has a new and expanded mission;⁴² 2) *labor market entry* or the *acculturation* stage, in which new entrants into the labor market are helped to get through early critical months, either before or when they enter the labor market; 3) *labor market*

⁴⁰The EITC is the most well known low-income earning supplement, approaching \$30 billion annual expenditures, and is credited with removing 5 million families from poverty in 1996. Other pilot programs outside welfare include the New Hope project in Milwaukee and the Canadian Self-Sufficiency (SSP) demonstration project in several provinces. State welfare programs often cited are Minnesota Family Independence Program (MFIP) and the Vermont Welfare Restructuring Project, though Michigan and Illinois are sometimes mentioned as having interesting methods for using welfare to supplement earnings. Overall, nine states have elected to retain the AFDC work incentive. The remaining 43 states (including the District of Columbia) have adopted something different. Within this group, *no two states follow the same procedure for dealing with working recipients*. For example, the break-even point at month 7 following job-taking ranges from \$205 (Alabama) to \$1,641 (Hawaii); in month 13, the range is the same.

⁴¹See *Job Retention and Advancement Among Welfare Recipients: Challenges and Opportunities*, prepared by The Lewin Group: Fairfax VA (1999), p. 83.

⁴²One insight gleaned from the implementation study done for the CSDE study was the degree to which W-2 suffered an image problem in the low-income community. Resource specialists and FEPs mentioned that disadvantaged persons were coming onto W-2 only as a last resort, the effort to restigmatize income support having been successful. But helping the working poor is a different mission, one where you may want to reach out to low-income families before problems become major issues; the focus may be more preventative in character.

stabilization, in which the focus is on smoothing out labor market tenure, reducing interruptions, and “making work pay;” and 4) *labor market advancement*, in which activities and help are focused on turning a job into something more like a career, and moving people from the secondary to the primary labor market where feasible.

- *Signaling*—One of the most important tasks in orchestrating any change is to send unambiguous messages to managers, staff, and partners about the new mission. The same messages or signals must be clearly communicated to the low-income population, supported by signage, public service and media communications, and by everything applicants experience when they walk in the door. The work retention and advancement themes must be addressed when a person first even thinks about approaching the agency for help, not when he or she is leaving assistance. For those within the conventional W-2 program, the focus on retention and advancement ought to begin during the diversion stage, not at the end of their tenure on W-2.
- *Labor market entry and integration*—Most employers agree that the first few weeks on a job, when new employees get used to the new set of expectations and workplace culture, are critical. Employees who have little labor market experience may not have the basic modes of behavior that will enable them to deal with critical supervision or interactions with co-workers and customers, may find that behaviors consistent with their own culture or background are inappropriate in the workplace, and may experience anxiety when first separated from their children or families. Confusion and anxiety can lead to withdrawal or antagonism, and failure to communicate can lead to premature termination. At this stage in the employment process, routine follow-up, crisis interventions, support groups, and mentoring programs can be of immense help. Retention specialists, employer-based mentors, community support groups, faith-based support groups, and other strategies can be used to help newer employees through this sensitive acculturation period.
- *Labor market stabilization*—Even after someone adjusts to the working world or the culture of a particular workplace, problems arise from the inherent volatility in the low-wage labor market. The very nature of life at the lower end of the income distribution is itself a challenge. Jobs end, crises resurface or emerge: children get sick, youth get into legal troubles, cars break down, families get evicted, or old self-destructive patterns (e.g., substance abuse) resurface. We see three basic forms of help for this set of challenges. First, low-wage workers probably still need access to services and help in ways that minimize transaction costs. Although intense crisis management is not as necessary for workers in this stage, help should be conveniently available. Mentoring, crisis management, and support groups should remain available, as needed. One-stop shopping and out-stationing, with brokered services, ought to be explored. Second, there will be disruptions in labor market tenure no matter how sophisticated the work support system. Low-income family caretakers ought to have access to personal help in bridging between one job (or jobs) and another, to minimize the time out of the labor market. Quick and expedited access to resumé updating, job referrals, and other forms of labor market attachment services would help. Finally, earning low wages makes life particularly difficult when raising a family. Care must be taken to see that these families maximize use of earnings supplements (e.g., the EITC and other tax credits) and other work supports such as health coverage, Food Stamps, and child care.
- *Labor market advancement*—Ideally, supporting and rewarding consistent labor market engagement do not become ends in themselves. We want to see low-income workers with the requisite abilities advance in terms of pay, benefits, and vocational challenges. Advancement can be accomplished through enhancing the human capital of incumbent workers or restructuring certain sectors of the labor market to facilitate career mobility and advancement. The human capital strategy is complicated by the need to accommodate competing demands that particularly

challenge low-income working parents—the need to juggle work, parenting, and training. There exist many programs, policies, and protocols to help workers enhance their skills. The second major strategy for advancement involves some restructuring of sectoral labor markets. Mini career ladders that enable entry-level workers to learn credentialed skills might be applied across jobs that normally would be viewed as dead-end. Low-level nursing attendants or hotel workers might be able to advance to more complicated (and better paying) jobs if the basic skills they learn can be viewed as applicable to higher-level positions.

FIGURE 3	
Intervention Points: A Framework	
SIGNALING	<i>Articulate the mission</i>
	<i>Communicate the mission</i>
	<i>Market the mission</i>
	<i>Develop performance measures and rewards</i>
	<i>Engage the customer early</i>
	<i>Attend to the seven Ms</i>
LABOR MARKET ENTRY	<i>Prepare for labor market entry</i>
	<i>Focus on soft skills</i>
	<i>Crisis management</i>
	<i>Problem intervention</i>
	<i>Mentoring approaches</i>
	<i>Support groups (work, community, faith-based)</i>
LABOR MARKET STABILITY	<i>Continue access to services</i>
	<i>Occasional crisis management/intervention</i>
	<i>Ongoing support groups</i>
	<i>Focus on life skills</i>
	<i>Services for labor market re-entry</i>
	<i>Lower the transaction costs</i>
	<i>Give work supports/supplements/‘make work pay’</i>
LABOR MARKET ADVANCEMENT	<i>Encourage human capital advancement</i>
	<i>Develop hard skills</i>
	<i>Use the Kenosha ‘simulated work week’</i>
	<i>Restructure sectoral markets</i>
	<i>Create mini-career ladders</i>

A work support agenda can be advanced if it is made a clear and compelling agency priority and if accountability measures and institutional rewards or penalties support new priorities. The details of any specific plan must be developed through a process *that includes all the key stakeholders*. Otherwise, the necessary buy-in will be absent.

We therefore do not lay out a detailed plan of action. Rather, we mention examples of the various programs and policy ideas for such an agenda in the attachments to this narrative. *Appendix A* enumerates a number of program and policy ideas organized about the conceptual framework outlined in Figure 3. *Appendix B* briefly describes several program that we believe are at the cutting edge, while *Appendix C* provides additional detail on interesting initiatives designed to facilitate upward career mobility.

GETTING FROM WHERE WE ARE NOW TO WHERE WE WANT TO GO

The framework outlined here does not prescribe a plan for Wisconsin. Instead, it points out critical stages in the labor market tenure of low-skilled and low-income family heads, and suggests a few examples of reasonable interventions. We strongly suggest that the Department not attempt to introduce a new statewide program. Rather, we suggest a subtler approach to the transition to the next generation of reform.

We suggest that the process of change start with a decision to move the state (and particularly W-2) from the process of getting those who are not working into the labor market to a focus on helping working families succeed after they get a job. That is, the leadership of the state must commit to a work support model.

A new work support model can be accomplished in a variety of ways. For example, seed money can be allocated on a competitive basis to interested local agencies to develop models for further expansions and adaptation.⁴³ The most powerful things the state can do are to set out a new mission and vision, develop measures appropriate to that mission and allocate resources and rewards consistent with it, provide necessary management supports and infrastructures, and help with the transfer of useful knowledge and technologies.

Perhaps some variant of a model used in recent years by the Administration for Children and Families in the Department of Health and Human Services can be applied in this instance. Wisconsin could initiate a two-stage process. The first could be a planning stage. Those interested, and successful in their bid, would be awarded a planning grant. Peers from other states, along with knowledgeable outsiders, might be brought in to share insights from elsewhere. Second, these could be developed and refined here in Wisconsin through a series of *model programs*.

Whatever process is chosen, it should facilitate planning from the ground up. Focus groups and workgroups could be formed to consider each dimension. As basic decisions are made, further literature reviews could be done to update what is known in this rapidly changing and evolving arena. One concrete lesson coming out of welfare devolution is that peer communication (i.e., horizontal communication) is a powerful tool for change, which also recognizes extant variation in local labor markets and institutional philosophies. Wisconsin should not forget this lesson as it constructs the next generation of reform.

As we know from the experience of introducing Wisconsin Works, fundamental change is a process of altering the “culture” of a system. This means going back to the seven Ms outlined earlier (mission to morphing), systematically walking through each one to examine how moving to a work support system affects the elements of that dimension. The state must be involved in articulating the vision (mission development) and developing appropriate outcomes (measuring and rewarding success). But mostly the state’s role is one of facilitator, helping to identify sources of technical assistance and to develop management infrastructures. Great programs can happen when locals are empowered. And empowerment happens when those in charge know when to get out of the way.

AND THE NEXT STAGE?

As the WELPAN model laid out in Figure 1 makes clear, the work support stage of reform is not the end

If you’re just looking at the employable adults you’re not looking at the whole dynamics that we set up a family for success or perhaps failure and a return to welfare. What we want to be able to do is also focus within that family on prevention. That could be teen pregnancy prevention, juvenile crime prevention, some of those adolescent risk factors. Helping those kids to stay in school. Hopefully, that will lead to graduation and to the world of work for the children themselves.

Shirley Iverson—Oregon

of the story. Working adults function within families and communities that determine who will succeed and who will not. And it would be shortsighted to measure success merely by the self-sufficiency of the adult caretaker in the current generation. Equally important is how we raise the next generation of parents. To do that, we need healthy families and communities. But that gets us into the next story, which is more fully developed in *white paper* number five.

In short, those at the cutting edge of change consistently stress that a holistic perspective is

⁴³There are several models for this in the Midwest alone. Ohio allocates up to \$300 million to local agencies through its Prevention, Retention, and Contingency grant program; Minnesota allocates some \$70 million through its Local Innovation grant program; and Iowa allocates resources through its Decategorization Initiative.

necessary to achieve the ultimate goals of reform. We cannot be satisfied with merely getting people into jobs, but rather, we have to look at how people function once they get there. We cannot focus merely on the adult in the family, since those adults function within an array of complex relationships that bear directly on their roles as providers and parents. And we cannot focus merely on this generation of families, since the real outcomes of interest may lie in how the seeds of change planted in this generation are realized in the next.

But even if we were not entirely guided by a long-range perspective on reform, the focus on the family and community makes sense from the perspective of work. Adults who face family instability and disruption are likely to be distracted and unproductive workers, if they remain in the workforce at all. In consequence, a number of states such as Oregon, Iowa, Minnesota, and Ohio are increasingly using TANF dollars, often complemented by private support, to invest in families and communities. They are, for example, investing in early childhood development, developing faith-based and community-based circles of support for disadvantaged families, working with employers to build or strengthen mentoring programs, and facilitating the development of quality child care and transportation systems. They are proceeding from the simple insight that healthy communities, healthy families, and healthy labor markets are intertwined and essential to healthy children.

CONCLUSION

We conclude by posing a conundrum. Welfare reform has been a success in the eyes of all but the most intransigent observers. Dependency on cash assistance is down, as is family and child hardship for all but the most impoverished families. Work on the part of family caretakers is up. Yet, many families still struggle for economic well-being. Moreover, many observers do not see W-2 as a program for the working poor and near poor. Rather they see it as a rather narrow initiative devoted to caseload reduction and perhaps job entry. In part this is due to a tendency to define W-2 as a program and not as one component of an ensemble of initiatives organized around workforce and family development. This shortcoming can be rectified first by documenting who is served by W-2 (broadly conceptualized), how they are served, and what impacts the program has on working low income families. And second, Wisconsin must communicate these findings to the broader policy community and the public.

The faces of hungry people in our communities are changing. Most are working people. It really changes the perception of who uses food banks. It's coming down to a choice between I can pay my rent or I can put food on my table.

*Katie Cunningham, spokeswoman for
Second Harvest of Wisconsin
(Capital Times, November 23, 2000; p.8A)*

Our analysis suggested the following:

- *Welfare reform efforts have been quite successful in getting single mothers, cash welfare recipients, and other disadvantaged individuals into the labor market.*
- *Their patterns of continuity and advancement in the labor market could be improved.*
- *More can be done to improve the stability of employment and to improve access to opportunities for better wages.*
- *The key to improving the labor market experiences of the working poor and near poor is to shift efforts on behalf of the nonworking poor toward even more attention to the working poor and near poor.*

- *Wisconsin has already made significant strides in the direction of supporting work among disadvantaged families, but those efforts have yet to be made a central mission of W-2 in ways that are clear to all important constituencies and stakeholders.*
- *The best way to accomplish this balance is to make the working poor and near poor a focal point of the next generation of Wisconsin Works, and to develop appropriate performance measures and performance incentives to support that mission.*
- *In pursuing a broader work support strategy, Wisconsin should more aggressively and independently document and research local models as they develop, and communicate finding to the broader policy community.*

Wisconsin once again has an opportunity to lead the way toward the next generation of welfare reform.

APPENDIX A

Retention and Advancement Program Examples

Signaling

- **Employment-focused programs**—Programs aimed at getting clients into the labor force as soon as possible.
 - California’s GAIN program, particularly in Riverside—Participants required to take part in a sequence of activities based on their employability and education with the emphasis on rapid labor force entry. The program included a mixed service strategy that stressed rapid employment while including short-term education.
 - Grand Rapids and Atlanta JOBS programs—Emphasis on rapid employment while also providing education and training for those who do not immediately find a job. Assisted clients with job search, provided basic education, vocational training, and/or work experience.
- **Employment and training-focused programs**—Programs to improve present and future employability of clients.
 - Riverside, Atlanta, Grand Rapids JOBS programs—Clients given initial assessment followed by individual-specific service strategies based on needs and career goals. In Riverside, these programs were only for participants without a high school diploma or GED, but this was not the case in Atlanta or Grand Rapids.
 - Oregon JOBS program—For recipients who receive cash assistance, this program gives them waivers to participate in a range of education, training, and family stability services. These waivers for services stop individuals’ TANF time clocks.
 - Wisconsin Works Program (W-2) Education and Training—Education and training assistance is integral to the W-2 program. Services can include employment workshops, job search skill development, and life skills training.

Wisconsin Department of Workforce Development, www.dwd.state.wi.us

- **One Stop Service Centers**—These centers are designed to provide low-income, assistance-eligible clients with seamless service delivery in one building.
 - Wisconsin Works Job Centers—Partnership for Full Employment (PFE) emphasizes a one-stop approach to employment and training as well as assistance services delivery. Job Centers include services for job seekers as well as for employers.

Wisconsin Department of Workforce Development, www.dwd.state.wi.us

- **Basic Skills Training**—Basic education programs for participants.
 - Even Start Family Literacy Program—A two-generation approach to target both parents and children with basic education, EST, and GED preparation. The program was voluntary and operated between 1991 and 1994 for low-income families.
 - New Chance Program—A voluntary program operated in 10 sites between 1989 and 1992. It targeted young, unmarried mothers (16–22) who were high school dropouts, and it was aimed at the achievement of a GED or high school diploma.
 - Wisconsin Works (W-2) Literacy Program—Wisconsin funds community programs through grants to enable them to provide literacy services to TANF-eligible persons

whose incomes are up to 200 percent of the poverty level. Services provided by funded programs include: basic education, English for Speakers of Other Languages, workplace literacy, and child and family tutoring.

Wisconsin Department of Workforce Development, www.dwd.state.wi.us

- **Post-Secondary Education**—These programs are sometimes combined with work requirements as a pre-employment service.
 - New Visions Self-Sufficiency and Lifelong Learning Project in Riverside County, CA—This program aims at preparing welfare recipients for sustained employment and job mobility. It combines community college courses with vocational education in a 9 month pre-employment program.
- **Case Management Services**
 - Oregon Adult and Family Services—All recipients are initially helped with formulating career plans that are continually worked with while they receive assistance. Case workers problem solve and assist recipients to become involved with support groups, work-related education and training, and child care and transportation subsidies.

Oregon Department of Human Resources, Adult and Family Services Division, (503)945-5601, www.afs.hr.state.or.us

- Wisconsin Works (W-2) Financial and Employment Planners—All W-2 participants are helped with the development of an Employability Plan by a Financial and Employment Planner (FEP). These plans identify goals for each individual in the areas of education, training, and employment.

Wisconsin Department of Workforce Development, www.dwd.state.wi.us

Labor Market Entry

- **Work Experience Services**—These programs offer community work, workfare, or community service.
 - Workfare—Participants in these programs were required to work in order to receive their welfare benefits, and the programs often only involved job search services. In general this type of program was not found to be effective in increasing participants' employment or earnings.
 - Work Experience with other training—Baltimore OPTIONS program—This program combined work experience, on-the-job training, job search, basic skills education, and classroom training. After an initial assessment, participants were given some choice among job search, unpaid work assignments, or education and training. The employment effects were greatest for those with the fewest barriers to work.
- **Supported Work**—These programs provide clients with jobs in the private sector while also offering support services.
 - National Supported Work Demonstration—This was a highly structured program that provided up to 18 months of subsidized employment along with other training and support services to more disadvantaged welfare recipients. The program emphasized gradual skill development and resulted in some earnings gains that were primarily due to higher hourly rates and more hours worked.

- The AFDC Homemaker-Home Health Aide Demonstration—This program involved up to 2 months of classroom training and then up to 13 months of supported work. Earnings gains primarily resulted from increased hours worked.
- **Youth Employment and Training Services**—Programs designed to assist youth with training and employment skills.
 - Wisconsin Works (W-2) Community Youth Grants—These are grants given to agencies to provide services that will improve social, academic, and employment skills of low-income TANF-eligible youth age 18 or under. Programs emphasize social development, job training, runaway services, leadership training, and peer counseling.

Wisconsin Department of Workforce Development, www.dwd.state.wi.us

- **Transportation Services**—Programs to address the problems of spatial mismatch, the absence of public transportation, or the unavailability of transportation during non-standard hours.
 - Bridges to Work Program in Baltimore, MD—A HUD-started program that identifies job-ready individuals, prepares them for employment, and provides door-to-door van rides to work. The service is free for the first 30 days, and then \$4/day.

*Bridges to Work Program, HUD,
www.huduser.org/publications/povsoc/btw.html*

- JOBLINKS Program in Louisville, KY—An FTA-initiated program that uses an express bus to transport inner-city residents to an industrial park with many entry-level positions. The bus reduces a two-hour commute to 45 minutes.

JOBLINKS, Federal Transit Administration, www.ctaa.org/ntrc/atj/joblinks/

- Wisconsin Works (W-2) Transportation Assistance—The W-2 program provides funds to assist working clients with access to transportation, to reimburse clients for transportation costs, and to provide client with transportation assistance. Services include arranging van pools, organizing volunteer driver programs, granting loans for personal vehicle purchase and repair (Job Access Loans), and working to expand existing transportation hours and service areas.

Wisconsin Department of Workforce Development, www.dwd.state.wi.us

- **Employer Assistance**—Programs to assist employers in retaining entry-level workers.
 - Texas's Local/Regional Workforce Development Boards—These boards plan workforce development activities to meet the needs of participants and businesses with the understanding that the boards control the major pool of public workforce development resources in the area through TANF, WIA, and One Stops. These boards give consideration to retention and training issues affecting both the participants and the business customers of their workforce services.

*Texas Workforce, Local Workforce Development Boards,
www.tec.state.tx.us/dirs/wdbs/wdbmap.html*

- Florida WAGES Board and the Orlando Chamber of Commerce—The WAGES Board supported a program with the Orlando Chamber of Commerce in 1999 to educate and assist one thousand local firms on retention and training issues. The effort aimed at helping firms to better manage, retain, and train their entry-level workforce.

Labor Market Stabilization

- **Employment and training-focused programs**—These programs aim to improve present and future employability.
 - California’s Employment Training Panel—This initiative helps businesses that hire welfare recipients to train these new workers in the skills they need to succeed in jobs and stay employed. The Panel contracts with employers, and training is provided during work hours and on or near the job site. Employers must commit to retain trainees for 90 days after they complete training.
California’s Employment Training Panel, (916)327-5640, www.etp.ca.gov
 - Moving Up Program by Vocational Foundation, Inc.—A training program for disadvantaged youth ages 16–24 run by a small private organization in New York City. This program provides two years of postemployment services for its participants.
Vocational Foundation, Inc., (212)777-0700
 - Rhode Island’s statewide employment and retention services—Rhode Island has created a separate employment and retention group that is housed on a different site from the welfare agency. The staff is responsible for job development, placement, and retention, and works both with employers and TANF recipients.
 - Wisconsin’s Workforce Attachment and Advancement (WAA) Program—This program promotes the upward mobility of low-income working families and non-custodial parents through job retention and training services. WAA provides continued support to clients under 200 percent of the poverty level who are placed into employment through job retention services (mentoring, job coaching, crisis intervention, etc.) and employer services (worksite mentoring and training, access to support services).
Wisconsin Department of Workforce Development, www.dwd.state.wi.us
- **Bridge Training**—These are training programs for persons with very low skills.
 - Portland’s Steps to Success—Offers six weeks of bridge training that prepares people to enter employer-sponsored training in electronics manufacturing.
Mount Hood Community College, contact—Kim Freeman, Regional Director, (503)256-0432
 - Chicago Common’s Employment Training Center—Created “Preparation for Training” programs that prepare women with very low skills (3rd to 6th grade reading levels) to enter local training opportunities that lead to better jobs. The program aims to help participants make better, more informed choices about training and career options by helping them assess their strengths, and to help them master soft skills.
Chicago Commons Employment Training Center (ETC), (773)772-0900

- **Re-Employment Services**—Programs aimed at ending the cycling trend off-and-on assistance and in-and-out of work.
 - Project Match—A private welfare-to-work program in Chicago that serves very disadvantaged low-income parents. The program uses unpaid work as one “step” on a ladder of increasingly demanding self-sufficiency activities.
 Erikson Institute, (312)755-2250 ext. 4001, www.pmatch.org
 - Retention and Re-Employment Services and Demonstration Grants in Texas—This fund was established in 1998 to develop model post-employment retention and advancement strategies for current or former welfare recipients. The grants have gone to a variety of public and private organizations, and the projects include any variety of services to enable individuals to maintain steady employment.
- **Child Care Services**
 - Community Coordinated Child Care (4-C) in Michigan—Program expands child care and after-school programs by focusing on extending child care hours, establishing home-based family day care in low-income areas, recruiting people already caring for children to expand their capacity, and developing mentoring programs that pair established providers with new day care providers in order to upgrade the quality of new providers.
 Northeast Michigan Regional 4-C, (517)354-8089
 - Pathways to Success Program in New York—Program provides parents with one-on-one counseling, reviews child care options with them, makes referrals to programs with vacancies, and furnishes on-going follow-up for the duration of the parent’s child care search.
 - Wisconsin Shares Child Care Program—This program provides child care subsidies to families whose incomes are up to 185 percent of the federal poverty line. Parents in the program share the cost of child care services depending on family income and size, and parents in the program can choose any certified or licensed child care provider.
- **Social Supports**—These programs address the lack of these at home for some clients.
 - West Humboldt Employment Training Center in Chicago—After completing a Life Skills class in this program, participants select a support group depending on their personal and family needs (i.e. parenting, bad relationships, depression). At weekly group meetings, participants share steps they have taken to meet specific goals.
 - Progress Information Directed Toward Employment Social Contract System in Chicago—The key component of this program is the use of an Activity Diary. In the Diary, a participant records progress toward goals and services used. The participant then presents the Diary to a group once a month. The group votes on whether the participant has met her goals for the month, and then helps her shape future goals. The aim of the group is to provide support and praise for goals met.
 - Cornerstone Program in Iowa—This is a family-focused approach in which a Family Development Specialist works one-on-one with the entire family to set and attain goals, help them through difficult times, and make referrals when needed. The families assisted are those that face multiple barriers to employment and exiting welfare.

- **Short-Term Loans**

- Wisconsin Works (W-2) Job Access Loans—These loans are short-term, no interest payments to assist clients to meet emergency needs. The loans can be for car repairs, rent, work-related clothing or supplies, or moving expenses associated with employment.

- **Case Management Services**

- Oregon Adult and Family Services—Retention and advancement services are indicated on clients' individual career plans. Individual Training Accounts that can be used to upgrade training are available as well, and so are child care and transportation subsidies.

*Oregon Department of Human Resources, Adult and Family Services Division,
(503)945-5601, www.afs.hr.state.or.us*

- Lane Workforce Partnership in Eugene, OR—This program provides case management for several months for several hours/week before and after participants are employed. Individuals work in sessions on developing a positive outlook for the future and a positive vision of themselves. A significant time is also devoted to quality job matching and checking-in with case managers while at work or during lunch breaks.

Lane Workforce Partnership, (541)682-3800

- Utah's Department of Workforce Services—All of Utah's welfare-to-work and employment and training services are integrated into this Department. Employment counselors serve customers, and each counselor stays with the customer throughout the time he or she needs services, both before and after employment, and whether or not a person is receiving other benefits.

Utah Department of Workforce Services, (801)526-9675, www.dws.state.ut.us

- WA—WorkFirst Postemployment Labor Exchange (WPLEX)—An initiative begun in 1998 in which callers from WPLEX contact all former welfare recipients who are working at least 20 hours/week. Callers ask former recipients questions about benefit availability, whether they are getting the EIC, whether they are having problems on the job, and whether they are having other problems that interfere with work. The caller then makes referrals and later makes follow-up calls.

Washington WorkFirst, (206)766-7212, www.wa.gov/workfirst

- Texas—Post-Employment Retention is Key (PERK)—This program provides intensive post-employment services for welfare recipients. It begins with individual assessment and training in customer service and soft skills for the workplace, and it continues on with weekly follow-up, job coaching, and access to support services. Participants commit to these sessions for 12 months.
- Wisconsin Works (W-2) Case Management—For primarily clients who have moved from a community service job into an unsubsidized job, Wisconsin provides six months of case management services. These services offer a range of supports to clients as they adjust to the workplace.

Wisconsin Department of Workforce Development, www.dwd.state.wi.us

- **Wage Supplements**—These include other supplements (beyond EITC) which add to the earnings of low-income workers.
 - For Clients in the Welfare System—Connecticut’s Jobs First Program, Florida’s Transition Program, The Work Pays Initiative in IL, Iowa’s Family Investment Program, The MN Family Investment Program, Vermont’s Welfare Restructuring Project (3-23)
 - For Working Poor Outside of Welfare System—NY’s Child Assistance Program, New Hope in Milwaukee, Canada’s Self-Sufficiency Project (3-23)

Labor Market Advancement

- **Training for Longer-term Career Path Positions**—These training efforts get employers directly involved in the programs.
 - Pathways Program in Minnesota—These programs are joint efforts of businesses, educational institutions, and social service agencies to develop and deliver industry-specific trainings that enables welfare recipients to move into jobs with long-term career paths. The state funds these efforts by making grants to educational institutions that are then matched by participating firms.

*Minnesota Pathways Program, Elizabeth Collett, (651)297-3314,
Elizabeth.Collett@state.mn.us*
 - Detroit Job Ladder—A program run by the Regional Chamber of Commerce that aims to encourage workers to stay in low-wage, entry-level jobs for nine months by creating formal advancement opportunities to better-paying, entry-level jobs that do not require special training but do require a solid work history.

Detroit Job Ladder, (313)596-0330
 - Tri-County Job Ladder Partnership Project in Seattle, WA—This project is a partnership between 34 employers and 6 community colleges to create career and educational pathways in four sectors: manufacturing, customer relations, information technology, and health services. This project aims to develop individual career plans for low-wage workers that identify employment and training opportunities across employers and colleges.
 - Wisconsin’s Child Care Mentor Teacher Projects—This program was piloted in five communities in 1998 and expanded statewide in 2000. Funds are given to assist low-income job seekers to become child care providers. Scholarships, bonus payments, and stipends are offered as incentives to workers. Professional mentors are linked with W-2 participants to teach them the skills of the profession.

Wisconsin Department of Workforce Development, www.dwd.state.wi.us
 - Wood County, Wisconsin WAA Program—In Wood County, Workforce Attachment and Advancement services are focused on assisting entry-level workers to advance to higher skill and higher wage jobs through training and assistance to area employers. Employers needing retention services are identified through local Chambers of Commerce, and the WAA program staff work with groups of employers and workers to develop training programs to meet their needs.

Wisconsin Department of Workforce Development, www.dwd.state.wi.us

- **On-the-Job Training**—This is often employer-provided, subsidized training in workplace.
 - Maine Training Opportunities in the Private Sector—This program was voluntary and targeted unemployed women on AFDC. The program included employer-provided, subsidized training in the workplace.
 - New Jersey On-the-Job Training Program—This program ran during the 1980s. It placed participants with employers and offered job search assistance, unpaid work experience, and referrals to education programs or training when needed.
- **Customized Training**—This type of training is employer-based and is structured to meet employer and worker needs.
 - Marriot International’s Pathways to Independence—Pathways is a training program that offers opportunities for former and current welfare recipients. The program includes classroom training (soft skills, job readiness, career planning), hands-on training, shadowing, and hands-on practice.

*Marriot International, Pathways to Independence, (301)380-8583,
www.marriot.com*

- **Community College “Quick Training” Programs**—These short courses are offered to improve education and training, advancement ability, etc.
 - WorkFirst Reinvestment Program in Washington—Through this program, the state is funding each community college to develop 10–12 week training programs focused on high demand career sectors. Programs are designed to give participants a “quick start” in employment, improve literacy, access further education and training, access support services, and ability to advance at work.

Washington WorkFirst, (206)766-7212, www.wa.gov/workfirst

- **Skills Upgrades through Tuition Assistance**
 - Georgia’s HOPE scholarships—This program is open to state residents who enroll in a degree or certificate/diploma program, and it is targeted to working adults who can attend school only part-time. This program helps supports the state’s overall emphasis on credentialing incremental skill development.

Georgia Student Finance Commission, (770)724-9030, www.gsfc.org

- Maine’s Parents as Scholars Program—This program provides low-income parents with scholarships to cover living expenses. To be eligible, parents must be enrolled in two or four year postsecondary educational degree programs.

*Maine Parents as Scholars Program,
www.communitychange.org/organizing/Maine8.htm*

- Wisconsin Employment Skills Advancement Program (ESAP)—This program functions as a source of financial aid to assist current or former cash assistance clients to pursue education and training opportunities. Funds are distributed to eligible individuals as matching grants, and include up to \$500 for related expenses such as: tuition, books, equipment, supplies, and transportation.

Wisconsin Department of Workforce Development, www.dwd.state.wi.us

APPENDIX B**State Efforts to Address Job Retention and Career Advancement****Oregon Department of Adult and Family Services—Retention and Advancement Effort**

Since the implementation of TANF in Oregon, the state has continually stressed the importance of rapid workforce attachment, but additionally, Oregon policy and programs also now emphasize the importance of job retention and advancement. Oregonians whose incomes fall below 180 percent of the federal poverty line are eligible for both support services and programs aimed at employment assistance, job retention, and career advancement. In fact, for the fifteen Adult and Family Services Districts in the State, approximately \$5 million is spent annually on job retention and advancement services for this population of near poor and poor Oregonians.

Four main components make up Oregon's job retention and advancement efforts. First, all low-income participants who approach the state for help are given an initial evaluation to assess their job readiness and skills. From this assessment, individualized plans are formulated with a case manager, sometimes called Education Development plans or Income Improvement plans, and these plans include an emphasis on job retention and career advancement. A second component of Oregon's effort involves rigorous job search assisted by case managers. A third component of the effort is for those persons directed into cash assistance. Through the Oregon JOBS program, these individuals are offered a variety of education, training, and family stability services. Finally, a fourth component of Oregon's effort consists of granting waivers to individuals to participate in support services while also allowing them to stay off of the TANF time clock.

Though assistance programs have traditionally been aimed at the low-income non-working poor, Oregon has begun to additionally focus on programs to assist the working poor. Through an outreach effort involving advertising aimed at the working poor, services such as help with basic expenses, medical benefits, alcohol or drug treatment, job assistance, child care, and transportation assistance are offered.

The three goals of Oregon's public assistance programs include: help the needy get and keep jobs, help families get regular child care, and provide benefits and services to the working poor. To accomplish these goals, flexibility has been built into the system to allow the individual Adult and Family Services districts to design their own plans for providing assistance. To encourage collaboration, the fifteen district managers meet monthly to exchange ideas and discuss problems and successes in implementation. Additionally, coordination with both community colleges and One Stops occurs to truly provide a continuous emphasis on job retention and career advancement.

Washington's WorkFirst Reinvestment Program

In the state of Washington, TANF surplus dollars are redirected into job retention and advancement efforts for current and former welfare recipients as well as for the working poor (persons whose incomes fall below 175 percent of the federal poverty line). In Washington, emphasis has been placed on the importance of community college assistance in these efforts. To accomplish this goal, funding to community colleges is distributed through the State Department of Social and Health Services to the State Board of Community and Technical Colleges.

Each community college in the state receives funding to primarily focus on the development of 10 to 12 week training courses focused on high-demand career sectors. The goals of these short courses are to provide participants with a springboard into employment, improve literacy, give access to further education and training as well as support services, and to provide career advancement ability. State

funding is granted for the redesign of courses and services, as well as for the provision of pre-employment training, tuition assistance to employed participants, soft skills training, family management skills, and evening and weekend child care assistance.

Washington's job retention and advancement efforts are a collaborative effort among agencies to assist the working poor and non-working poor. The aim of these efforts is to make community colleges more accessible to both employers and low-income workers. To accomplish this goal, employers are involved in curriculum development and design, and clear connections between education and training and future employment opportunities are emphasized.

The goals of Washington's WorkFirst Program are to create entry-level employment opportunities at above-average wages, combine literacy and parenting skills training with employment training, improve workers' basic skills, and improve both access to training and financial assistance for training. Through various types of training and education assistance, Washington attempts to emphasize the importance of job retention and advancement and to better enable participants to accomplish these goals.

Wisconsin's Job Retention and Advancement Services

Wisconsin Works (W-2) is widely considered one of the leading welfare reform strategies in the country. The success of the Wisconsin Works program has resulted in huge welfare caseload reductions in the State, and with this large increase in labor force entry for low-income assistance clients (both present and former), Wisconsin has begun to put efforts into job retention and career advancement for this population. Wisconsin's Workforce Attachment and Advancement (WAA) Program is the main state effort reacting to this large influx of W-2 clients into the workforce. WAA's main goal is to promote the upward mobility of low-income working families and non-custodial parents through job retention and training services. To this end, WAA provides continued support to clients placed into employment through job retention services such as mentoring, job coaching, crisis intervention, worksite mentoring and training, and access to support services.

Since the beginning stages of W-2's enactment, employment and training have been emphasized as the new foci for Wisconsin assistance clients. Through the use of Job Centers around the State, W-2 emphasizes a one-stop approach to employment and training as well as to assistance service delivery. Through services offered at the Job Centers, job seekers can access education and training programs such as employment workshops, job search skill development, and life skills training. Further, all clients who become participants in W-2 are helped with the development of an Employability Plan by a Financial and Employment Planner (FEP). These plans identify goals for each individual in the areas of education, training, and employment.

Other employment support services are also offered to clients through W-2. Job Access Loans are available for work-related emergence expenses such as car repairs, rent, and work-related clothing and equipment. These short-term loans are provided with no interest to help clients out of tough situations that may otherwise force them to quit or result in termination from their job. Additionally, transportation assistance is also offered through W-2. Funds are provided to assist working clients with access to transportation, to reimburse clients for transportation costs, and to provide clients with transportation assistance by arranging van pools, organizing volunteer driver programs, and working to expand existing transportation hours and service areas. The Wisconsin Shares Child Care Program offers another work support service. This program provides child care subsidies to families whose incomes are less than 185 percent of poverty, and parents in the program can choose any certified or licensed child care provider they find satisfactory.

Various services are offered in Wisconsin for present and former assistance clients to address skills improvement and career advancement. Three of these are Case Management, the Employment Skills

Advancement Program (ESAP), and the W-2 Community Youth Grants. Case Management services are provided primarily to clients who leave a community service job and move into an unsubsidized job. These services continue on for six months during the client's transition to the work world. ESAP functions as a source of financial aid to assist current or former assistance clients to pursue education and training opportunities. Funds of up to \$1000 are distributed to eligible individuals for related expenses such as: tuition, books, supplies, and transportation. Community Youth Grants are awarded to local agencies to provide services to improve social, academic, and employment skills of low-income TANF-eligible youth ages 5 to 18. Through these grants, Wisconsin is recognizing the need to address the employability and social development of the entire family, not just that of the present provider within the family.

In sum, Wisconsin has begun efforts to address job retention and advancement for assistance clients, and the future will likely bring additional efforts and an increased desire to coordinate services to fully address the needs of the working poor.

Center on Wisconsin Strategy—Employment Partnerships

The Center on Wisconsin Strategy (COWS) is based at the University of Wisconsin–Madison and is dedicated to improving economic performance and living standards in Wisconsin. COWS conducts research on economic trends in the region, develops ideas for alternative economic development, and works with businesses, labor interests, and communities to implement programs and policies. COWS has developed various programs that stress the importance of employment partnerships—within regions and within industries. These programs and partnerships aim to address labor shortages and barriers, and thus, several COWS projects also address job retention and career advancement.

Three of COWS' present projects that address retention and advancement include the Upward Mobility program, the Wisconsin Regional Training Partnership, and the Milwaukee Jobs Initiative. The Upward Mobility program operates in Dane County to provide employers with qualified applicants. Job seekers within the program have demonstrated a strong work ethic and high motivation, and therefore, employers who hire employees from Upward Mobility are assured that new hires have these assets. Four main components make up the Upward Mobility program, including: applicant screening, job matching referrals, retention assistance, and coordinated services through a single point of contact.

The other two COWS projects mentioned, the Wisconsin Regional Training Partnership (WRTP) and the Milwaukee Jobs Initiative (MJJ), both operate in the Milwaukee area. The WRTP functions to coordinate business and labor leaders in the greater Milwaukee area. The Partnership works with firms and their workers to update employee skills, to modernize production processes, and to find, train, and place new workers into the industry. The WRTP presently includes over 45 firms in the metalworking industry in Wisconsin. The second project in Milwaukee, the MJJ, assists inner city residents. The Annie E. Casey Foundation sponsors the MJJ, and the Initiative coordinates the efforts of employers, community organizations, and local government toward the goal of getting disadvantaged residents into jobs that pay family-supporting wages. The MJJ works with employers and job seekers to accomplish this goal by identifying job opportunities, organizing training options, helping to place job seekers into career-oriented jobs, and supporting workers.

COWS coordinates all three of these projects, and the projects all aim to establish regional and local partnerships for economic development in Wisconsin. Sustained economic development benefits both employers and workers, and these programs address both sides of this equation. Besides coordinating efforts with and among employers to benefit their individual companies, these programs also assist both new and incumbent workers with job retention and career advancement through support services and training.

APPENDIX C

Career Advancement Strategies

(From the Joyce-Irvine Employment Training and Placement Learning Group)

<i>Organization</i>	<i>Advancement Strategy</i>
<p>Chicago Manufacturing Institute (CMI)</p> <div data-bbox="207 625 435 793"> <p><i>Contact:</i> <i>Virginia Quiroz</i> <i>4100 W. Belmont</i> <i>Chicago, IL 60641</i> <i>773-685-1010</i></p> </div>	<p>CMI offers approximately 50 different training units for employed workers that are each about 40 hours in duration. Complete training for a particular field typically consists of approximately 10 to 15 units, and therefore, complete training generally takes over 400 hours. CMI works directly with employers to assess employee skill levels and employer needs, and to design a course of training units to match employee skills with job needs. Training classes are offered during regular daytime hours as well as during the late afternoon, and most classes are offered at CMI's facilities. CMI assesses the effectiveness of its training programs by determining how many trainees move up to a new salary level within six months following completion of training. CMI has found that almost 100 percent of its trainees reach this goal.</p>
<p>Chrysalis</p> <div data-bbox="207 1098 492 1297"> <p><i>Contact:</i> <i>Dave McDonough,</i> <i>Executive Director</i> <i>516 South Main</i> <i>Los Angeles, CA 90013</i> <i>213-895-7777</i></p> </div>	<p>Chrysalis's career advancement efforts build on its existing job retention program by developing a career ladder strategy specifically designed for disadvantaged, hard-to-serve clients. The specific strategy Chrysalis uses for career advancement coordinates a training provider with the business community in an effort to design a worksite-based training program. Through development of this type of employer-led training program, clients are able to upgrade their skills with training clearly connected to career and wage advancement. Chrysalis's total career advancement strategy includes: career laddering and post-employment skill upgrading, an improved comprehensive support system, establishing links with the WIA One Stop System, and coordination of service delivery.</p>
<p>Jane Addams Resource Corporation (JARC)</p> <div data-bbox="207 1507 467 1707"> <p><i>Contact:</i> <i>Anita Jenke Flores,</i> <i>Associate Director</i> <i>4432 N. Ravenswood</i> <i>Chicago, IL 60640</i> <i>773-728-9769</i></p> </div>	<p>JARC has offered career advancement courses for workers annually for the past decade. JARC has also undertaken industry-specific research on job requirements and standards to enable its staff to better design courses that address specific industry career ladders and provide employees with the necessary skills to advance. The JARC curriculum includes set prerequisites, learning goals, and lessons that build upon the previous session. Annually, JARC serves nearly 200 workers at 30 companies. Most advancement classes are offered by JARC on-site at the companies served. In addition to offering classes for advancement, JARC staff also remains in touch with class graduates through telephone call follow-up at set intervals.</p>

Jobs Consortium

Contact:
Michael Daniels,
Executive Director
436 14th St., Suite 716
Oakland, CA 94612
510-251-6241

Jobs Consortium addresses both job retention and career advancement in its work with low-income individuals on the road to self-sufficiency. Through its Follow-Up and Retention Unit, Jobs Consortium offers a variety of services and incentives to promote long-term job retention, including: retention plans with employment goals, counseling and support, retention reward vouchers to offer incentives, information on social supports, and access to computers, fax machines, voicemail, resume-writing courses, and other job search tools. Job Consortium addresses client career advancement through various strategies, including: training clients to ask employers directly about career ladders in companies, consulting with employers about career ladders within their companies and sharing this information with clients, and providing clients with access to industry-specific training, assistance to complete their GED, and help with obtaining post-secondary education. Jobs Consortium also offers an office skills course after which graduates can attend a community college information technology class.

STRIVE

Contact:
Mr. Steven Redfield,
Executive Director
4910 S. King Dr., Rm2
Chicago, IL 60615
773-624-9700

STRIVE's Career Path Project assists graduates of STRIVE's job readiness program who would like to combine formal education and training with their work experience in order to advance to better jobs in the future. Associates of the Project develop and implement three- to five-year action plans that combine career planning, basic education, GED preparation, and social services and skill training, with working. Associates, or clients, work with Career Counselors who supply information and assistance as well as perform regular check-ins with clients. Check-ins enable the Counselor to assist the client, provide encouragement, and problem-solve regarding obstacles the client is encountering.

Twin Cities RISE! (TCR!)

Contact:
Peggy Yuston
800 Washington Ave. N.
Minneapolis, MN
55401
612-338-0295

TCR! is a program for career advancement aimed at low-income individuals who are either unemployed or underemployed. TCR! combines training for career advancement with job participation. Clients remain in the program while they are working, and they therefore simultaneously gain the necessary skills and experience to allow them to advance within their field. Clients are involved in classes that focus on basic skills (reading, language, math) as well as soft skills, personal development skills, and industry-specific skills (information technology). Graduates of TCR! are encouraged to come back to the program at any time to take additional training classes, and TCR! staff typically keep in contact with graduates for at least one year following their final job placement.

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